

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2010

WEDNESDAY, JUNE 3, 2009

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:30 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Tom Harkin (chairman) presiding.

Present: Senators Kohl, Murray, Landrieu, Reed, Pryor, Specter, and Cochran.

DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

STATEMENT OF HON. ARNE DUNCAN, SECRETARY

ACCOMPANIED BY THOMAS SKELLY, DIRECTOR, BUDGET SERVICE

OPENING STATEMENT OF SENATOR TOM HARKIN

Senator HARKIN. Good Morning. The Labor, Health and Human Services Education Appropriations Subcommittee will come to order. I want to start by welcoming Secretary Duncan. I was honored to chair the confirmation hearing on the other committee on which I sit. But this is his first appearance before this subcommittee, so he's here to talk about money, the taxpayers' money.

AMERICAN RECOVERY AND REINVESTMENT ACT

Every year when Congress considers the President's budget it hears people say it is a critical moment in the Nation's history. In hindsight, some of those moments were probably more important than others, but I would submit when it comes to education, this is truly one of those historic moments. The Recovery Act will add almost \$100 billion to the Nation's education system. The largest one-time investment in education in our history, and that's on top of the more than \$60 billion in the regular 2009 bill. There has never been this much funding in the Nation's schools before in our history. So we in Congress, especially on this subcommittee, and the Education Department have a special responsibility to make sure that the money is used wisely.

Funding of this scale brings in opportunities both to help to pull our economy out of the recession and to encourage new innovations

in the way we educate our students. But if we are not careful, the money can also be squandered. Therefore, we will spend part of today's hearing talking about the implementation of the Recovery Act so far, what the Department plans to do with the rest of the money for the months ahead.

POSTSECONDARY EDUCATION

We will so consider the President's request for the fiscal year 2010 budget. I think there is much to admire in his proposal, and am especially pleased by his plan to end entitlements for financial institutions that have processed Federal student loans and switch to direct lending, instead. This plan will save billions of dollars a year that can be re-invested, to help middle- and low-income students get a college education.

The President's budget also puts real money behind efforts to improve our Nation's high schools. And the other end of the education spectrum, the budget request makes a strong investment in early learning.

SCHOOL FACILITIES

One area that is not addressed in the President's budget is school repair: renovations, repair, and construction. A last-minute decision to remove funding designated to that purpose in the Recovery Act was, in my opinion, a grave mistake. This money would have created jobs, met a pressing educational need and avoided long out-year funding commitments.

But even though the funding was pulled from the Recovery Act, the need for better school facilities grows with each passing day. I recently introduced the School Building Act of 2009, and I intend to include money for this purpose in the regular fiscal year 2010 appropriations bill.

So, Mr. Secretary, I look forward to hearing your testimony about the President's budget, also the Recovery Act and other items that will come up here.

First, I would yield to Senator Cochran. Thank you.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you. I am pleased to join you in welcoming this distinguished Secretary to our subcommittee to review the budget for the next fiscal year. We appreciate your cooperation and look forward to working with you through the year. As we proceed with our deliberations on the budget request, the budget the President has submitted, I would ask, Mr. Chairman, that the balance of my remarks be printed in the record.

Senator HARKIN. Thank you, Senator Cochran. Senator Murray.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Thank you very much. Mr. Chairman, Senator Cochran, thank you so much for having this hearing. Secretary Duncan, welcome. I am looking forward to hearing you talk today about the budget request and a wide range of educational challenges that you are addressing, both opportunities and priorities.

These are issues that I have been focused on a very long time, both as an educator and as a member of this subcommittee. So I was very pleased to see that you and the President are preparing to tackle or more appropriately, put a full-court press on a lot of the large issues facing us in education today.

POSTSECONDARY EDUCATION

The budget takes some exciting steps forward. I was very happy to see the College Access and Completion Fund, that will help our students enter and succeed in college. I think that's a promising idea. I look forward to hearing more about that. That's been a long-time issue of mine, especially for disadvantaged students, and Washington State has some innovative work in this area, so I'm looking forward to hearing some comments on that.

I am also very encouraged by the President's goal that every student will complete at least 1 year of postsecondary education. I share that goal, and as a long-time advocate for job training and education programs, it's great to have a strong partner in the White House on that.

I discussed with you earlier one of my innovations to 21st century careers, and looking forward to your work in that area as well.

PROPOSED BUDGET INCREASES

I am pleased that your budget proposal has some significant increases in Pell grants, teacher quality, State grants, school leadership for principals, and literacy efforts. Those are all very important in our work today.

This is a very ambitious education agenda and it comes at a very difficult time. At home, every weekend I go home and I see more headlines about teachers being laid off and the challenges in our educational system. I can tell you that teachers in my home State and across the country are not only worried about their own job security, but the impact on their students, as a lot of our States are facing some very tough times.

PREPARED STATEMENT

So our work on the Recovery package to support our schools is very important, and I look forward to what you have to say about that as well today. And Mr. Chairman, just as a note of personal privilege, I want to just mention, I've got some students from one of our high schools in Washington State, Meadowdale. If you guys could just stand up? They are here all the way across the county and I remind all of us, this is what we are talking about today. So thank you for being here.

Senator HARKIN. Welcome. Where do you say they are from?

Senator MURRAY. Meadowdale High School, Lynnwood, Washington.

And, I would like to quickly mention their names for the record: here with us today is: Joshua Gregory; Aaron Feldhaus; Andy Nguyen; Morgan Buckingham; Samuel Triece; Evan Primm; Robert Baldrige; Matthew Genetiano; Dalia Mendoza; Andrew Prichard; Anwar Bible; Noah Beardsley; and Jacob Grund.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATTY MURRAY

Thank you Chairman Harkin and Senator Cochran for holding today's hearing to discuss the need to invest in education and prepare our young people to succeed in school and beyond.

I also want to thank Secretary Duncan for joining us today to present the Department's budget request and discuss our wide-range of education challenges, opportunities, and priorities.

I have been focused on these issues for years—both as an educator and as a member of this subcommittee.

And I'm pleased to see that you and the President are preparing to tackle—or maybe more appropriately—put a full-court press on so many of the large, tough issues facing our education system. And this budget certainly takes steps forward on some very exciting education programs.

The College Access and Completion Fund to help students enter and succeed in college is a promising idea. College access and completion, especially for disadvantaged students, has long been a goal of mine, and my home State of Washington has done some particularly innovative work in this area.

Specifically, they have focused on partnerships with State and nonprofit programs to follow up with students throughout college to ensure their success.

I look forward to working with you on the College Access and Completion Fund and keeping in touch as this process moves forward.

I am also encouraged by the President's clear goal to that every student will complete at least 1 year of post-secondary education. I share President Obama's goals, and as a long-time advocate for job training and education programs for our workers, I am glad to have a strong partner in the White House.

To address this goal, I will be re-introducing my bill, the Promoting Innovations to 21st Century Careers Act, that works to bridge the skills gap between what students need to know to be successful and what skills employers, colleges, and communities are looking for.

I am pleased that your budget proposal has significant increases in Pell grants; Teacher Quality State Grants; The School Leadership Program for principals; and literacy efforts.

These are all going to help ensure that our students have access to high-quality education—from early childhood all the way through college.

You and President Obama have taken on an ambitious education agenda, and we know that it comes at a difficult time. Every day there is another front page story somewhere in my state about teachers being laid off or education programs being cut or cancelled.

Teachers are worried about job security and parents are worried about quality or how to pay to send their kids to college.

I am proud that our work together to pass a strong Recovery package is beginning to help States like Washington keep more teachers in their jobs and continue our national commitment to ensuring a quality education for all students.

But as you know well, our long-term economic recovery is going to depend on sustained investments and new and innovative programs that will give our kids the skills to succeed in higher education and careers in the 21st century economy.

I look forward to asking you questions on efforts to build those skills and on the investments proposed in your budget.

Thank you.

Senator HARKIN. Welcome to Washington. Thank you, Senator Murray. Senator Reed.

STATEMENT OF SENATOR JACK REED

Senator REED. Mr. Chairman, I simply want to welcome the Secretary, and also underscore what Senator Murray said about the College Access and Completion Fund, much of which is built on the work that we advised them on last year, and I look forward to the Secretary's comments on how he is going to use the, I believe, gap provisions, and bolster this particular fund. Thank you.

Senator HARKIN. Thank you, very much, Senator Reed. Senator Landrieu.

STATEMENT OF SENATOR MARY L. LANDRIEU

Senator LANDRIEU. Thank you, Mr. Secretary, just briefly, I want to thank you for your early visit right after your confirmation to New Orleans, to see their continued effort to rebuild their school system, not just in the city, but in the region. And most excitingly, Mr. Chairman, to build a brand new school system that's based on large measure on some of the work that has been done in this subcommittee and in our full Appropriations Committee, but now being led by Secretary Duncan and President Obama.

And I just want to comment that some of the same principles about our rebuilding a new, revitalized public school system, we can take from that, and give options and opportunities for the rest of the country, particularly, Mr. Chairman, the focus on expanding our commitment to quality charter schools, which are independent public schools, to some degree, that are showing extraordinary promise across the country. And I want to thank the Secretary for his leadership and just say that this budget is not only a commitment to bold reform, but I am also excited about your commitment to funding and the President's commitment to that goal of reform. Because that didn't happen in the last administration, and I'm very excited that the commitment to funding and the commitment to excellence have been put together, and under your extraordinary leadership, I think we can get it accomplished.

Thank you.

Senator HARKIN. Thank you, Senator Landrieu. Now, Secretary Duncan, welcome. Your statement is being made part of the record in its entirety, and please proceed as you so desire.

SUMMARY STATEMENT OF HON. ARNE DUNCAN

Secretary DUNCAN. Thank you, Mr. Chairman, for your leadership. I have gotten a chance to spend time with many of the subcommittee members and I haven't seen more passion and commitment to education anywhere. So I am very excited at the opportunity to work with you and try and do something dramatically better for the children of our country.

FISCAL YEAR 2010 EDUCATION BUDGET PRIORITIES

Thank you so much for the opportunity to be here today to talk with you about President Obama's fiscal year 2010 budget request.

Senator HARKIN. Mr. Secretary, is your mike on or if it is, can you pull yourself a little bit closer?

Secretary DUNCAN. This budget makes important choices to continue and expand programs that will support our children from cradle to career. It provides the resources necessary to expand access to high quality early childhood programs, to ensure that K-12 schools are preparing their students for success in college and the workplace, and to provide college students with the money they need to pay for college and an assurance that the Federal Government will be there to help them. Together, all of these policies will help our country reach the President's ambitious goal, that by 2020 the United States will once again have the largest proportion of college graduates in the world.

IMPACT OF RECOVERY ACT FUNDS ON EDUCATION

I am extremely grateful for the work you have already done to help our Nation's schools. I look forward to working with you in the future. As you know, in the American Recovery and Reinvestment Act (ARRA), you provided \$100 billion to schools and to students. The law provides a great, great start in addressing the needs at every point along the cradle to career spectrum. Thanks to your support, we are able to stave off an education catastrophe and save a generation of children.

As you know, the ARRA had two goals in education: to create and preserve jobs, and to promote school reforms. Even though the Department of Education hasn't yet distributed all of the money provided in the stimulus bill, we are seeing signs that we are meeting the goal of preserving the jobs of teachers and other educators.

We are collecting data on the number of jobs preserved, and can point to several districts where the stimulus funding has made a significant difference.

Because of ARRA, the Los Angeles Unified School District averted almost 3,800 layoffs. In New York City, that number is 14,000 layoffs averted, 139 teachers kept their jobs in Seminole County, Florida, and in Boston, teacher union leaders say the stimulus money ensures that the city won't lay off any teachers. Alabama's State superintendent has said that the stimulus money will help avert all layoffs in his State as well.

I am confident that in just about all our 14,000 districts around the country, the stimulus money will be used to preserve jobs that otherwise would have been lost, or to create jobs they'd never have been able to add if they didn't receive money from the ARRA.

EDUCATIONAL ASSURANCES FOR EDUCATION REFORM

Before this stimulus, we were heading for an educational disaster. With it, we have largely avoided that catastrophe, and now must also work to continue to improve student achievement. I am convinced we have to educate our way to a better economy.

Through ARRA, States are promising to make commitments on policies that we consider to be essential for reform. They will improve the effectiveness of teachers, and work to make sure the best teachers are in the schools that need them the most. They will improve the quality of their academic standards, so that they will lead students down a path that truly prepares them for college, the work force and global competitiveness.

These standards need to be aligned with strong assessments. I am particularly concerned that these assessments accurately measure the achievement of English language learners and students with disabilities. Under the third assurance, States will commit to fixing the lowest performing schools. Finally, they will build or enhance data systems that track student performance from one year to the next, from one school to another, so that those students and their parents know when they are making progress, and when they need extra help. This information must also be put in the hands of educators, so they can use it to improve instruction.

INCREASING INSTRUCTIONAL TIME

Another key ingredient of reform is to add more time for instruction. I grew up in my mother's after-school program in Chicago, so I know firsthand the importance of after-school and summer programs. That is why we are asking districts to consider using Recovery Act funding, as well as title I funding, to extend the school day and the school year. In places like Cincinnati, we are already seeing such innovation taking place. Cincinnati is adding what they are calling a fifth quarter, where students must spend an extra month in school this summer.

This is also a key component of our school turnaround strategy, because we know that kids who are struggling absolutely need more time in order to catch up.

RACE TO THE TOP FUND

Through ARRA, we will be rewarding States, districts, and non-profit leaders who are dedicating themselves to moving forward in each of these areas of reform. The \$4.35 billion "Race To The Top" Fund will reward States that are making commitments to reforms, so they can push forward and provide an example for the rest of the country to follow.

WHAT WORKS AND INNOVATION FUND

The \$650 million What Works and Innovation Fund will provide grants to districts and nonprofits to scale up successful programs and evaluate promising practices.

My department expects to issue invitations for applications this summer and start awarding grants in the late fall. With ARRA as a foundation, we have submitted a fiscal year 2010 budget that will build on the Recovery Act and advance all of the President's priorities.

FISCAL YEAR 2010 DISCRETIONARY FUNDING REQUEST

Overall, President Obama is asking for \$46.7 billion in discretionary funding for the Department, an increase of \$1.3 billion over the comparable 2009 level.

EDUCATION PRIORITIES

I want to highlight our request in several important areas: early childhood education, improving the pay and professional development of teachers, turning around low-performing schools, and ensuring that college students have financial aid and student loans. They need not just to enter college, but to complete. Again, the goal is not just access, it's attainment.

IMPROVING TEACHER QUALITY

In K-12 education, we are requesting two important investments in the key priorities identified under the stimulus: improving the quality of our teachers and turning around low-performing schools. In other countries, the top one-third of college graduates enter the teaching force. Unfortunately, too often here in the United States, our best college graduates choose other professions. We need to

change the way we promote and compensate teachers, so that we can attract the best and brightest into the profession by rewarding excellence and providing supports that enable success.

TURNING AROUND LOW-PERFORMING SCHOOLS

As for turning around low-performing schools, we all know that too many of our schools are actually letting our children down. In too many places, achievement is low and not improving. For example, in approximately 2,000 high schools, 60 percent of the entering freshmen class will drop out by the time they are supposed to be seniors. That collective loss of human potential and the long-term negative impact on our economy are both staggering.

Under ARRA, we have asked States to identify the bottom 5 percent of their schools. In our fiscal year 2010 budget request, we want to give them the resources to fix them, with a strong focus on dropout prevention in these so-called dropout factories.

ECONOMIC IMPACT OF HIGH SCHOOL DROPOUTS

And just to pause for a moment, our dropout rate for our country—for the Nation is approximately 30 percent. So it's a problem that plagues every community: urban, rural, and suburban. Recently the Alliance for Excellent Education came out with a study on the cost to the economy of the dropouts of the class of 2008; had they graduated and not dropped out, that would have added an additional \$319 billion in income over their lifetimes. And if we don't do something about this dropout crisis, over the next decade the loss to our country will be \$3 trillion. So the economic impact, beyond the lost human potential, is something we absolutely have to come to grips with.

SCHOOL IMPROVEMENT PROGRAM

Our budget includes \$1.5 billion for the Title I School Improvement Program. That's almost a \$1 billion increase over last year. When that amount is added to the \$3 billion the program received in the ARRA, and the \$545 million in fiscal year 2009, we will have more than \$5 billion to help turn around low-performing schools.

I am talking about dramatic changes here. I will not be investing in the status quo or in changes around the margins. I want States and districts to take bold actions that will lead directly to improving student learning.

I want superintendents to be aggressive and take the difficult step of shutting down a failing school and replacing it with one that will work.

TEACHER INCENTIVE FUND

To improve both the quality of teachers and the critically important support they receive, we are requesting \$517 million for the Teacher Incentive Fund, including \$30 million for a national teacher recruitment campaign. This program is designed to improve the quality of the teaching workforce, using innovative professional development and compensation systems as a core strategy.

I want to be clear, I want the grants awarded under this program to be a cooperative effort between districts and teachers. The

President has often said that he believes changes to the teaching profession should be made by working with teachers and not by doing things to teachers. The chance for real collaboration here is remarkable.

Chicago was one of the first 34 projects to receive a grant from this program. Like many others, we worked closely with our teachers to create the program. In fact, a team of our best teachers actually gave the program shape, and designed the framework that became our foundation.

Together we created a program which emphasized improving professional practices of teachers, identifying what it takes to make teachers better, and rewarding those who improve.

One important change that we are requesting to the Teacher Incentive Fund would allow districts to reward all of the employees of a school for helping that school to improve student achievement. Students excel and thrive when all adults in the school work together. The janitors, the custodians, the cafeteria workers, the security guards also need to be rewarded when students in their school succeed.

I have seen throughout my life, that when every adult in the school building collaborates to create a culture of high expectations, magic happens for children.

READING PROGRAMS

In addition, we are seeking \$370 million for the Striving Readers Program. The program now works to improve the literacy skills of adolescent students who are reading below grade level. We will dedicate \$70.4 million for that purpose, almost double the amount in the fiscal year 2009 budget.

With the remaining \$300 million, we will create a competitive grant program to support districts to create comprehensive and coherent programs that address the needs of our young readers. These programs would ensure that students learn all of the skills they need to become good readers, teaching them everything from awareness to reading comprehension.

We intend to build upon the successes and the lessons of the Reading First Program, while simultaneously fixing the problems.

RECOVERY FUNDS FOR TITLE I AND SPECIAL EDUCATION

I would like to say a word or two about the largest programs that have been entrusted to us: the title I program and the Special Education State Grants program under the Individuals With Disabilities Education Act, that Senator Harkin, you worked so hard on. Both programs received dramatic funding through ARRA.

Title I received \$10 billion in funding for grants to districts, in addition to the \$3 billion for school improvement program, while Special Education State Grants received \$11.3 billion. That's almost as much as it received in fiscal year 2009. We are working closely with districts to ensure that they spend this money wisely, and not put it into programs that they won't be able to sustain when that money runs out.

I would also like to note that both of these programs didn't receive the increases they otherwise might have in the fiscal year

2010 request because of the amount of money provided in the Recovery Act and the period of availability.

We hope to resume our commitment to funding the increases for the programs, once the stimulus money has expired. In the short term, we need increased funding for school turnaround efforts. The students attending these schools cannot afford to wait. We are in crisis.

More of the same in our dropout factories will not help children succeed and beat the odds. That would only ensure that we, as educators, actually perpetuate poverty and social failure. We have too many examples of what does work and what is possible around the country to continue to allow devastating failure to exist.

EARLY CHILDHOOD EDUCATION

In fiscal year 2010, we will also be making important investments in early childhood programs. Under title I, we are requesting \$500 million to encourage districts to use the program's money to expand preschool programs. This money will help build one piece of the comprehensive early childhood programs that President Obama has proposed. It is necessary to schools serving the title I population, which will benefit the most from early childhood education.

EARLY LEARNING CHALLENGE FUND

The budget also includes \$300 million to start the Early Learning Challenge Fund. The program's initial goal is to help States build a network of services that will maximize the investment in early childhood education. Expanding access to high quality early childhood programs is one of the best investments we can make.

ARRA FUNDING FOR POSTSECONDARY EDUCATION

All of those changes will help push school reform in K-12 schools. We also have significant, important policy changes for higher education. The Recovery Act made an important down payment on our plans to expand student aid. And in addition to more aid, we want to make sure that more students are not just attending college, but also graduating.

BUDGET PROPOSAL TO MAKE PELL FUNDS MANDATORY

The stimulus bill provided \$17.1 billion so we could raise the maximum Pell award from \$4,850 to \$5,350. In the fiscal year 2010 budget, we propose important and permanent changes to ensure students will have access to Federal grant aid and loans. The first thing we propose is to move the Pell Grant program from a discretionary to a mandatory appropriated entitlement. Second, we propose to link the increase in the maximum grant to the consumer price index (CPI), plus 1 percent, every year, which will allow the maximum grant to grow at a rate higher than inflation, so we can keep up with the rising cost of college.

I am grateful for all of the work that the appropriators have done to fund annual increases for Pell grants, particularly in the last 4 years. But even with that dedication, the maximum grant has not kept up with the rising cost of college tuition.

By making the Pell Grant program mandatory, and indexing annual increases to the CPI, we are ensuring that students will know that their Pell Grant will increase at the same rate as their tuition. This will give them the assurances that they will have the assistance they need to make it through college. This is, of course, a major financial commitment.

PROPOSAL FOR ALL NEW LOANS TO BE DIRECT LOANS

We are able to pay for this change, in part, by streamlining and improving the student loan program. We will move all loans over time from the Federal Family Education Loan Program to the Direct Loan Program, making loans more efficient for taxpayers, and freeing up money for Pell grants. In doing so, we can dramatically expand access to college without going back to taxpayers and asking them for one additional dollar.

PROPOSED BUDGET SAVINGS AND PROGRAM ELIMINATIONS

In closing, I would like to note that this budget makes tough decisions. President Obama asked all Cabinet agencies to examine their budgets, line by line, to identify programs that are ineffective and too small to have a significant impact.

Our student loan proposal saves more than \$64 billion per year. In addition, we are proposing to eliminate 12 programs, creating an additional savings of \$550 million. Even though we recommend cutting these programs, we remain committed to their goals. We are eliminating the \$294 million State program under the Safe and Drug-Free Schools and Communities Program because several research studies have found that the program is ineffective. But we absolutely remain committed to fighting drug use and stopping violence in our schools, which is why we are recommending a \$100 million increase in spending for the national activities under the Safe and Drug-Free Schools Program.

Also, we are proposing to eliminate the Even Start Program; we will continue to support the program's focus on comprehensive literacy programs through the expanded Striving Readers Program and Early Reading First.

These program eliminations show that our fiscal year 2010 budget is a responsible one. It is investing in our country's future economic security, and also making tough decisions to eliminate programs that are not working.

PREPARED STATEMENT

I appreciate the opportunity to discuss our fiscal year 2010 budget and look forward to your questions. Thank you so much.
[The statement follows:]

PREPARED STATEMENT OF ARNE DUNCAN

Mr. Chairman and members of the subcommittee: Thank you for this opportunity to testify on behalf of President Obama's fiscal year 2010 budget for the Department of Education, and to talk with you about how together we can lay the foundation for a generation of reform that can restore American leadership in education.

President Obama is asking for \$46.7 billion in discretionary funding for the Department in fiscal year 2010, an increase of \$1.3 billion over the comparable 2009 level, that would build on the historic increases provided for education in the American Recovery and Reinvestment Act (Recovery Act).

The combined resources of the Recovery Act and the 2010 request demonstrate the President's strong belief that improving education is the best way to ensure our long-term economic prosperity and security. Moreover, education is the civil rights issue of our generation, and the only truly effective weapon in our Nation's long war on poverty.

And it's not just more money that has created this unprecedented opportunity to dramatically improve the quality of our education system, but also broad, bipartisan agreement on what needs to be done to achieve this goal.

We need college-ready, career-ready, internationally benchmarked academic standards that reflect the fact that our kids today are not competing against children down the block or even across the country, but across the globe in countries like India and China. And to make sure all of our kids can meet those standards, especially those poor and minority children that currently suffer from the achievement gap, we need to invest more in quality early childhood education.

We also must do everything we can to get a great teacher in front of every classroom in the Nation. Everyone knows the difference that a good teacher can make, but we have far too few good teachers in our most challenging, lowest-performing schools. We need to change the incentives to encourage our best teachers and principals to work in the toughest schools.

And we need to be much more thoughtful about supporting reform and innovation that have been proven to increase student achievement. We need to identify and scale up best practices and promote effective strategies like expanding the number of charter schools and extending learning time to help turn around low-performing schools.

All of these priorities—higher standards, early childhood education, better teaching, and promoting effective innovation—will help more students enter and graduate from college. There is no question that one key to success in the global economy is a college education, and President Obama has set a national goal of ensuring that America is number one in graduating young people from college by 2020. Today roughly 40 percent of 25–34 year-old Americans hold college degrees, and we want to raise that to 60 percent.

The Recovery Act put significant resources—almost \$100 billion—behind each of these strategies for ensuring that every child has the opportunity to obtain a quality education. Our 2010 request was developed in the context of Recovery Act funding, much of which will continue to be available to States and school districts in fiscal year 2010, and reflects our effort to build on and make the most of that historic investment in education.

EARLY CHILDHOOD EDUCATION

We know from decades of research that investment in high-quality early childhood education and services leads to better outcomes in both school and the working world. President Obama is drawing on this research for his comprehensive Zero-to-Five initiative to expand access to quality childcare and education. The 2010 request would jump-start this initiative by helping to improve readiness for school, particularly in the area of early literacy and reading skills. For example, the request includes \$500 million for Title I Early Childhood Grants, which would provide incentives for school districts to use a larger share of Title I Grants to local educational agencies (LEAs) funding—including the \$10 billion provided by the Recovery Act—to establish or expand title I preschool programs. We also are asking for \$300 million to launch the Early Learning Challenge Fund, which would lay the groundwork for future investments in early childhood education by helping to build State capacity to measure and improve the quality of early childhood programs.

In addition, the 2010 request would strengthen early literacy through a \$335 million increase that would expand the Striving Readers program to support comprehensive approaches to reading instruction for children in the elementary grades that are grounded in scientifically based reading research. A portion of the Striving Readers funds would continue to support interventions and whole-school efforts in secondary schools to help students who read significantly below grade level.

NEW INCENTIVES FOR EFFECTIVE TEACHING

President Obama believes strongly that “America’s future depends on its teachers.” We need more effective teachers, and we need them most in our lowest-performing schools. Our request supports both of these goals. For example, we are asking for a \$420 million increase for the Teacher Incentive Fund to significantly expand programs developed with local stakeholders to reward effective teachers and principals and to expand incentives for teachers, principals, and other school staff to work in our most challenging schools. The request also includes \$29.2 million for

the School Leadership program, an increase of \$10 million, or 52 percent, to encourage effective principals to work in high-need schools and to train effective teachers to become principals or assistant principals in those schools.

PROMOTING INNOVATION IN STRUGGLING SCHOOLS

Creating new incentives for teachers and principals is part of a broader effort in our 2010 budget to promote innovation and reform in low-performing schools. If you look on our website, at www.ed.gov, you will see that as part of our Recovery Act guidance we have posted a list of almost 13,000 schools that are identified for improvement during the current school year. That number is up by more than 1,000 schools, or 9 percent, from the previous year. And more than one-third of these schools, or almost 5,000 schools, currently are in restructuring status—the final stage of improvement for chronically low-performing schools that demands fundamental changes in instruction and school governance to break the cycle of educational failure.

Congress recognized the challenges that these schools create for States and school districts and provided \$3 billion for Title I School Improvement Grants in the Recovery Act. The Department is working to maximize the impact of these funds on efforts to build State and local capacity to support school improvement, and the 2010 request would build on those efforts by seeking \$1.5 billion for School Improvement Grants, a \$1 billion increase over the regular 2009 level. The request would help intensify efforts to identify and adopt effective turn-around strategies. The request also would begin to help take on the dropout crisis by requiring States to ensure that 40 percent of School Improvement Grant allocations are spent in low-performing middle and high schools.

In addition to school improvement funding, we are launching a major push to identify and scale-up best practices through our What Works and Innovation Fund, which received \$650 million under the Recovery Act. We would add \$100 million to this program in 2010, to support competitive grants to LEAs and partnerships between nonprofit organizations and LEAs that have made significant gains in improving student outcomes to expand or evaluate their work and serve as models of best practices. In many ways, this program is the linchpin of everything we are working on at the Department, because there is a huge need for effective, scalable strategies that can improve student achievement in high-poverty, high-need schools. Further, we request \$72 million more for the Institute for Education Sciences, so we can identify what works based on rigorous research.

Our 2010 request also would begin to make good on President Obama's promise to increase support for one innovation that we know can improve student achievement—charter schools. We are seeking a \$52 million increase as part of a commitment to double funding for Charter Schools Grants over 4 years. Other activities in our 2010 budget to promote innovation include \$50 million for a High School Graduation Initiative to fund innovative and effective strategies designed to increase the high school graduation rate, and \$10 million for a Promise Neighborhoods initiative that would promote comprehensive programs that provide the support children need to achieve success from birth through college and beyond.

HELPING MORE KIDS GO TO COLLEGE

We announced most of our 2010 proposals for postsecondary education in February as part of the 2010 President's budget overview, so I will just summarize them briefly here. I do think we have an extraordinary story to tell about the Federal student aid programs. Under the President's request, the Department of Education would administer over \$129 billion in new grants, loans, and work-study assistance in 2010—a 32 percent increase over the amount available in 2008—to help more than 14 million students and their families pay for college. Our proposals to make Pell grants a mandatory, appropriated entitlement, raise the maximum Pell award from \$5,350 to \$5,550, and index the maximum award to inflation plus 1 percentage point, would result in a \$10.4 billion or 57 percent increase in Pell Grant assistance from the 2008–09 school year to the 2010–2011 school year. And the number of Pell Grant recipients would rise by nearly 1.5 million, or 24 percent, over the same period.

We would be able to provide these dramatic increases in student aid in part because our proposal to use Federal capital to make all new loans through the Direct Loan program, along with our proposed restructuring of the Perkins Loans program, would save an estimated \$24.3 billion over the next 5 years. This is an extraordinary opportunity to reform obsolete programs; increase aid available to students; and simplify the administration of student loans for students, families, schools, and the Department. In short, it is an opportunity that should not be missed.

Finally, our 2010 request would launch a 5-year \$2.5 billion Access and Completion Incentive Fund that would support innovative State efforts to improve college completion rates for low-income students. This Federal-State partnership builds on ideas Congress included in the Higher Education Opportunity Act, such as the State Grants for Access and Persistence program designed to complement LEAP. A key goal of this program is to learn more about what works, and what doesn't work, in improving student persistence to degree. The administration also intends to reach out to the philanthropic community as potential partners, and expects to make use of the Experimental Sites authority that we already have, to issue regulatory waivers for the purpose of research on programs to improve persistence.

CONCLUSION

The Recovery Act provided unprecedented levels of Federal support for our schools in return for a commitment to meaningful reform strategies. President Obama and I believe that the Recovery Act has created a historic opportunity to improve the quality of our education system, and we are determined to make the most of that opportunity. Our 2010 budget request would build on the resources and reforms in the Recovery Act to help create a public school system that prepares more students for the opportunities provided by a college education and helps ensure that they can afford to take advantage of those opportunities. As I said at the beginning of my testimony, I believe these are goals we all can agree on, and I urge you to support the President's fiscal year 2010 request for education.

I will be happy to take any questions you may have.

PELL GRANTS AND COLLEGE ACCESSIBILITY

Senator HARKIN. Thank you very much, Mr. Secretary. That's a pretty awesome list of investments that you're making in education. I just, off the top, might say that on the issue of the Pell grants, well, I guess we are just going to have to discuss that further. I think there may be a little bit of concern here on this subcommittee and others about making that a mandatory program, but it's open for discussion. I don't have a closed mind on it, but I think there are reasons on both sides.

Secretary DUNCAN. I look forward to the discussion, and we are open to that. The thing, just, that I worry about a lot, Mr. Chairman, is that I worry about fifth and sixth and seventh graders who are really smart, and who because dad or mom is losing their job, or taking a huge pay cut, start to think college is not for them, and that they won't be able to afford it. And what I really want is for those young students to know that regardless of how tough things are at home, that they are going to have an opportunity down the road, if they work hard.

I worry about the psychological impact, where families are under tremendous financial stress, of children just thinking, "College is not for me." And those dreams start to die at an early age.

So whatever we can do to signal to young children that whatever stress your family is under, if you work hard and you are committed, you're going to have an opportunity to go to college—that's what is important to me.

Senator HARKIN. Well, I am glad to hear you say that. That's true. And you are saying that by making it mandatory that they have heard that. But there are a lot of other ways that we could be looking at, perhaps, making sure that students have access to college at any early age, as long as they study and get good grades. I am sure you have some ideas of your own about changing that system—about providing incentives to kids early on so that they can keep up their grades and keep up the work, that they get scholarships and they get access to college. But we will discuss

that. As I said, I don't have a closed mind on it, but there are arguments on both sides of that.

TITLE I FUNDING GAP

I want to cover my time a little bit on a couple issues you raised. One, on the Title I Program. Of course, we did put a lot in there, as you mentioned, in the Recovery Act, \$10 billion. So for this year and next year, things are fine. But obviously we are looking at what happens when the Recovery funds are spent—now in your budget, you requested about a \$1.5 billion cut.

Well, you can say that's okay since we have all this money in the Recovery Act. But the problem with that is you cut the base. And you said that we are going to resume a commitment to this funding after the Recovery Act money runs out.

But if we cut the base this year, then as we move into next year, you've got to make that up, plus an increase. And that's what I am concerned about is cutting the baseline.

TARGETING TITLE I FUNDS TO LOWER THE DROPOUT RATE

Secretary DUNCAN. Yes. I hear the concern. And what we are trying to do is really focus that title I money on title I children, particularly those schools that have historically struggled.

As I mentioned in the beginning, I worry tremendously about our national dropout rate. It's a 30 percent dropout rate. And there was a time in our country, you know, a couple decades ago, when that was an acceptable dropout rate. There were jobs out there for students who didn't have a high school diploma. But as all of you know so well, today there are no good jobs out there for people without a minimum of a high school diploma.

When we look at the high school dropout problem, it's fascinating. Again, a 30 percent rate. We have these 2,000 dropout factories, about half are in urban areas, 20 percent in rural, 30 percent in suburban. So this is a national issue. This isn't one or the other. And we can identify 2,000 high schools that are producing half of our Nation's dropouts. Half the total, and 75 percent are minority students who drop out from 2,000 high schools.

And the cost to our economy is just absolutely devastating, as is the loss of human potential. So what I want to do is target that title I money to really take this challenge on and not just keep perpetuating the status quo.

Senator HARKIN. And that's fine. I am concerned about making up the gap for next year. Now you've got to come back here again next year with the budget for fiscal year 2011, and I am concerned how you make up that \$1.5 billion—I don't know that we are going to have any better allocation next year than we have had this year, and how do we make up that gap of \$1.5 billion, because we cut the base. So we are in a bit of a quandary there, and I just—when you say resume, would you look next year at bringing it back up to the 2009 level or would it go higher than that? I mean, I am just trying to figure out where we are headed on this.

Secretary DUNCAN. Well, I think those commitments are really important to me, so how we do it is obviously not the question. I don't know yet, but I want to get those numbers back up and keep them up.

Senator HARKIN. Fair enough. We are concerned about that cut in the base.

Secretary DUNCAN. Yes.

IMPROVING EDUCATION FOR STUDENTS WITH DISABILITIES

Senator HARKIN. Students with disabilities, this is one that we pay special attention to. And we have done well, of course, in the Recovery Act with this money. It's an historic increase. But I am concerned about something that predates you. In 2004, reauthorization of IDEA, there was an allowance that a school district could reduce its special education expenditures by 50 percent of the increase—whatever the increase they got, they could reduce it by 50 percent over what they received in the prior year and spend those funds on any other purpose authorized in the Elementary and Secondary Education Act.

Now, if a school has fulfilled all of its responsibilities to kids with disabilities and is meeting their needs, then I could see that might be fine for them to do that. But in all of the information that we have received, and the things that we have looked at, obviously some schools have done that, but a lot of schools haven't. And if they haven't met the basic needs of kids with disabilities, then I am concerned that if they take that money out, the students won't get the services they need.

So I guess I would just say how—tell me again how your Department is supporting the effective use of the Recovery Act money to improve the education outcomes of students with disabilities and will you ensure the school districts are effectively meeting the needs of these kids before they are allowed to shift that IDEA money?

Secretary DUNCAN. Very simply, I am in absolute agreement with you. And so where States or districts are in compliance, we will give them flexibility. Where States are out of compliance, we will not give them that flexibility.

DROP OUT RATE OF STUDENTS WITH DISABILITIES

Senator HARKIN. Right on. Thank you very much. I appreciate that very much. Again, when we talk about dropout rates, kids with disabilities, right now, are dropping out at a much higher rate, and a lot of this for just lack of supporting services for these kids at school. Almost 34 percent leave school early, and 52 percent of kids with disabilities complete high school. So again, I appreciate your response on that.

I see that my time is out.

EARLY LEARNING PROGRAMS

Senator COCHRAN. Mr. Chairman, thank you very much. Mr. Secretary, the budget requests \$300 million for the new early challenge program, providing grants for the development of statewide programs for children from birth through age 5. Some States don't have pre-school programs in place, like my State. Would States like Mississippi be eligible for funding under this program in some fashion?

Secretary DUNCAN. They would be and let me explain how, and obviously, we think this investment in early childhood is—you could make a pretty good case that it is the best investment any of us can make, so we are strongly encouraging it.

So what we are looking for from States like Mississippi, that haven't historically invested, is they can use the stimulus dollars, and they can use title I dollars to do that, and then we can match those resources. So with all the resources coming Mississippi's way, if they invest that in early childhood, that would count as a match.

So there is an absolute opportunity there, but we want the States to start to invest in early childhood. The State needs it, the country needs it.

INCREASING THE HIGH SCHOOL GRADUATION RATE

Senator COCHRAN. In some States, dropout rates are declining. I think in our State they are coming down. But most recent statistics seem to indicate that too many students still do not complete high school.

At what age was your program, again, under the new High School Graduation Initiative?

Secretary DUNCAN. That's a great question. I would argue that it's not one age. The folks in early childhood are helping to prevent that, but that's long term. So I don't think there is one magical age to stop. If you can start with 1 and 2 and 3 and 4-year-olds, that's the best. You know, prevention is a lot better than addressing the back end.

So I would argue that every investment that we are making helps, from early childhood to getting the best teachers to work in the toughest communities, to thinking about turning around schools, to making college more accessible and affordable, and we haven't talked about raising standards that we are pushing very hard on.

I would argue that everything that we are trying to do is with a single-minded goal of having more students graduate from high school, and having more of those graduates prepare to be successful, both in college and in the world of work.

So I wouldn't give you one age, because I think you have to have a comprehensive approach.

PROPOSED MOVE TO ALL DIRECT LENDING

Senator COCHRAN. The budget also proposes that all new postsecondary student loans originate and be serviced through the direct lending program. How do we pay for this entitlement program and ensure that students will not have their maximum grant reduced?

Secretary DUNCAN. This is one that I think, again, we can pay for without asking for any more money from taxpayers because we will basically—again, this is controversial and not everyone agrees—but we will get out of the business of subsidizing banks. We are going to put all of that money into students who are in high school and going on to higher education.

So this is a program that would generate savings, conservatively estimated at more than \$4 billion annually, every single year.

And so this is one where we can dramatically increase access for students, and do it without going back to taxpayers, and do it more

efficiently. And this is not, sort of, a big Government idea. We want and we have to have dramatic private sector involvement on the servicing of those loans. We don't want to be in that business. We can't be in that business. So this is a real chance for the private sector to play, and we will reward those players who do a great job in servicing those loans.

Senator COCHRAN. Let me wish you well and assure you that on both sides of the aisle on this subcommittee, we are interested in improving opportunities in education for all students, whatever their financial situation is, or whatever State they come from. And like States like mine, where we have had to struggle over the years to meet the educational needs of elementary and secondary students, that still is an area that cries out for support and assistance from the Federal Government. And I can remember, we used to in my State, it was kind of you didn't want the Federal Government coming in and taking over our schools, and telling us how to teach and all the rest, but the fact of the matter is, a lot of these programs have been very valuable.

My mother spent a career in title I mathematics education, and was a supervisor for schools. My father was a county superintendent of education in the largest elementary and secondary school district in the State of Mississippi. I have observed at close range all of the challenges that face educators and students, alike, in States where there just doesn't seem to be enough money to go around and meet all of the needs that exist.

So we appreciate your efforts and your support for States like mine.

SAVINGS FROM ALL DIRECT LENDING

Secretary DUNCAN. I appreciate your comments. I look forward to working with you.

Senator HARKIN. Thank you, Senator. I might just add, CBO gave an estimate of \$96 billion over 10 years, so you might want to talk to Mr. Orzag.

Secretary DUNCAN. I will try to—I was talking to Tom Skelly—

Senator HARKIN. There is Mr. Skelly here.

Secretary DUNCAN. Again, I talked about a minimum of \$4 billion and maybe well north of that.

Senator HARKIN. I should have introduced for the record, Thomas Skelly, your Budget Director for the Department of Education. Welcome back to the subcommittee, again, Mr. Skelly.

Secretary DUNCAN. He is the brains of the organization.

Senator HARKIN. Yes. We have met him before. Senator Murray.

PARTNERING SCHOOL PROGRAMS WITH BUSINESS NEEDS

Senator MURRAY. Thank you, very much, Mr. Chairman. I mentioned in my opening remarks my focus on making sure that the skills that we are teaching in our schools actually match what our businesses need. And I often hear from employers in my State, whether it's our high-tech, clean-energy companies or whether it's our boat builders and our construction workers, that the skills don't match between what our students are learning and what they need in their jobs. And I think we have to bridge that gap and as I told you, I will be shortly introducing legislation, again, to bring

together all the players: the employers to the schools to the community; leaders to labor; and business workforce experts to design programs for their own communities, to focus on the employers and the skills that are needed in their own communities.

And I wanted to ask you if you see a place in your budget for promoting those kinds of partnerships for the local level?

COMMUNITY COLLEGE ROLE—ACADEMIC AND JOB SKILLS

Secretary DUNCAN. That's hugely important. I would also say, which we didn't talk enough about, I think the community colleges play a huge role in this, sort of, trajectory of education continuum and I think that's been a really underutilized, undervalued resource. And whether it's high tech jobs or green jobs or healthcare jobs or jobs specific to your area—such as boat building. I was in Miami, and there's a fashion industry there. There is a huge player that I am actually trying to bring in, my under secretary, she was a phenomenal junior college president. I understand there's never been a community college president at that level of our organization. We think that's strategic. I think it's so important that we begin preparing our students for real jobs and building those pipelines and working very closely with those multiple partnerships. In some places you see great, great progress and in some places you don't. But whatever we can do to make sure that those employers are actually helping to shape the curriculum and helping to shape the opportunities that our high school students, as well as our community college students, have. We can't do enough of that. We have to tie education to the real world.

PERKINS LOANS

Senator MURRAY. And we have to look at funding programs that are already there. Then you've got Carl Perkins loans that were level-funded in your budget. Is there any chance for improving funding in that?

SCALING UP WHAT WORKS

Secretary DUNCAN. Again, we have an opportunity not just to—this is a real chance for folks to be creative. In the \$4.3 billion Race To The Top Fund, it's all about investing and scaling up what works. The \$650 million What Works and Innovation Fund is a chance for nonprofits and local players that partner with districts. So there is a huge chance that where we have demonstrated partnerships that will lead to higher student achievement, for us to invest in them at unprecedented levels and do more of what's working, that's with those pools of money.

TEACHER INCENTIVE FUND

Senator MURRAY. I look forward to further conversations with you on that. You mentioned in your remarks to literacy and Striving Readers Act, which I introduced with Senator Sessions and I wanted to make sure that—I am not sure about my time. I want to ask you another question. But I would like to have an opportunity to talk to you in the future about that, and how you are going to include both adolescent and early literacy grants in the

proposal, but with the few minutes I have left, I did want to ask you about the proposal for the Teacher Incentive Fund.

It's a very large increase that you've asked for and it's going to grow the program five times the funding it currently receives to about \$520 million. That program already received an additional \$200 million this year in stimulus funds.

Now this administration often has stressed to us the importance to implementing reforms that we know and can prove are effective. So can you tell me what the research base is, where it shows the effectiveness for the incentives for teachers, that justify an expanse for growth in that program at such a high rate?

Secretary DUNCAN. It's a great question. There are two themes that I am going to keep coming back to. One I talked about is time. We need more time with our students. The school day, the school week, the school year is too short.

The second one I fundamentally believe is we have to invest more in our teachers. And there is a tremendous body of research that great teachers, great principals matter tremendously. And there are studies that I have seen that talk about where the average student has three great teachers in a row, that child is a 1 ½ to 2 years ahead of grade level. The average child that has three poor teachers in a row can be so far behind that it's hard for them to catch up.

FOCUS OF TEACHER INCENTIVE FUND

So I worry a lot about—we talk a lot about the achievement gap. I am more interested in what I call the opportunity gap, of how we get the best and brightest educators.

Senator MURRAY. Yes. I don't think anybody at all disagrees with the goal. I am just asking if you can provide us with some studies that show that the incentives actually are what makes those core teachers better.

Secretary DUNCAN. I would be happy to do that. It's not just making core teachers better. That's why I was trying to go to the next step. What it does is, we want to create incentives for the best teachers to go into the most underserved communities.

Senator MURRAY. So that's the focus of the program?

Secretary DUNCAN. That's a piece of it. It's both developing talent and creating incentives. And I can just say from personal experience, in Chicago, where we did this, we only put this program in hard-to-staff schools that had significant turnover, and we only put the program into schools where 75 percent or more of the teachers asked for it.

Senator MURRAY. Okay. Can you explain to me that you put a significant amount of money forward that has not been through authorization, can you tell me what safeguards are going to be in there against some subjective awards, or awards that are only based on test scores since you are putting this money out there?

Secretary DUNCAN. Absolutely. We can sit down and walk through it very, very carefully with you. And in any good program, test scores are never the only thing you evaluate.

TEACHER INCENTIVE FUND COMPETITIVE GRANTS

Senator MURRAY. My concern is that the program that goes out to the States, so it sounds good when you say it to us, I just want to know how it's going to be implemented?

Secretary DUNCAN. Let me be clear. The money is not going out to the States. This is going out on a competitive grant basis, so folks are going to have to apply to us. So we can walk through with you what our request for proposal is going to look like and what our criteria will be for evaluating those proposals.

So this is not money that is going to go out willy-nilly. We want to invest in those places that we think are doing this the right way. We would be happy to sort of walk through—

Senator MURRAY [continuing]. It's not just going to be test scores and—

Secretary DUNCAN [continuing]. Again, that never—let me be clear on two things. One, it can never just be about test scores. Second, it cannot pit teachers against each other.

Senator MURRAY. Okay. So I would like to, at some point, work through it with you so I understand how that is going to work.

Secretary DUNCAN. Absolutely.

Senator HARKIN. Senator Landrieu.

SCHOOL REFORM

Senator LANDRIEU. Thank you. Mr. Secretary, I just can't tell you how encouraged I am by what I have heard this morning. I just really believe you are the right person to lead this effort, and I am so encouraged with President Obama's continued focus, amidst all the other things that he's got to do, but he comes across to me and to many of us as just unrelenting, which is the way I think he should be, and obviously you are, on reforming a school system in crisis. And reforming a school system that is in such a state right now that is it unable to support the economic growth of this Nation. And the bold vision that you have outlined, I generally support, and I want to let you know that.

CHARTER SCHOOLS

I have a comment though, if you could take a minute to explain to me and to the subcommittee a little bit about why the President's and First Lady's first visit, they stopped at charter schools. What is it that they see that we need to know about? Because there are some questions, as you know, about this issue around the country. We have had very good experiences with what we call independent public schools. But tell us for a minute about why you and the President feel so strongly about this direction.

Secretary DUNCAN. It's a piece of the answer. It's not the answer. This budget, we didn't mention, includes an additional \$52 million for charter schools. Let me tell you what we need. We don't need more charters, we need more good schools in this country. And for charters to be good, I think three things have to happen.

First, you have to have a very high barrier to entry. This is not let 1,000 flowers bloom. And if you do that, you just perpetuate the status quo. So, you only pick the best of the best to open schools. That's like a sacred obligation, a chance to educate children. That

should not go to everybody. That should go to the small percentage, the absolute best.

Second, after you set that high bar, you need to give these educators real autonomy. These are by definition entrepreneurs and innovators. And you need to give them room and freedom from bureaucracy.

Finally, you need to tie that real autonomy with real accountability. You have to have performance contracts. Obviously I am a big fan of charter schools, but I closed three for academic failure.

And so I think if you have just autonomy without accountability, you don't get there. If you just have the accountability without the autonomy, nobody would want to play. So you need to get those three conditions, and that doesn't happen that way all around the country. I think you guys are doing a great job of it in Louisiana and New Orleans. But when those three things happen, you generally have some very high-performing schools in some of the most underserved communities in our country—inner city, urban, and rural.

And so I think that it is not, by any means, the answer, but when done well and when done right, thoughtfully and strategically, it is a piece of the answer. And I think what is going on in your State, and New Orleans, specifically, is a fascinating example of what's possible when things are done the right way.

EARLY CHILDHOOD EDUCATION AND SPECIAL EDUCATION

Senator LANDRIEU. Thank you. My second question is about the disability issue and program, and Senator Harkin is such an extraordinary leader, and I try to be supportive where I can be, but I want to just share from my experience, Mr. Chairman, as the chairman of the D.C. subcommittee at some point. We looked into the disability, the cost of the disability program here in the District. And my staff is going to be getting me some specific numbers for the record, but I believe, if my memory serves me correctly, that the cost per student here is somewhere between \$20,000 and \$40,000 a year. Is that your understanding of the students in the District that are going to outside of the public system? And Mr. Skelly, do you know what the numbers are?

Mr. SKELLY. Senator, those numbers sound about right, but I am not aware of them specifically.

Senator LANDRIEU. I am going to ask the staff to get those numbers on the record, because the point that I am making here is that if we don't get on the front end of this situation, which is, I think, what your budget is attempting to do, which is investing in early childhood education, keeping children, Mr. Chairman, from getting an inappropriate and unnecessary label as dysfunctional just because they can't read. And then they get into a trap that is actually unsustainable for any budget to continue. It's a totally different issue than trying to provide basic services, which the Chairman on our committee will insist be given.

So I just want to lay the record down that we need to find those numbers out, because it's unsustainable at the \$20,000 to \$25,000 a year.

READING SKILLS AND SPECIAL EDUCATION

Secretary DUNCAN. I would argue that in many places, it's much higher than that. And as you know, so many children go into special education because they are labeled LD, learning disabled——

Senator LANDRIEU [continuing]. A lot of times they can't read——

Secretary DUNCAN [continuing]. And that means they can't read. So if we teach our children to read, they don't go into special education. And what's amazing to me is you almost never see anyone exit special education. Once you go in, in many cases, you are there forever. And so the right thing to do is to do a much better job on the front end, and it is right for multiple reasons, but if we could have—if we could reduce over time the numbers who are going into special education because they can't read, we will be doing those children a tremendous service.

Senator LANDRIEU. Thank you, Mr. Secretary.

Senator HARKIN. Thank you, Senator. Senator Kohl.

HIGH SCHOOL DROPOUTS

Senator KOHL. Thank you, Mr. Chairman. Mr. Secretary, as you sit here this morning, one of the most urgent crises that we face is the epidemic of high school dropouts and the fact that No Child Left Behind did not do very much to address this problem.

DUAL ENROLLMENT PROGRAMS AND DROPOUTS

Many ideas are proposed to increase high school graduation rates and better prepare our students for college. I have been talking about additional Federal support for what they call dual enrollment programs to help low-income students get on a fast track to get a high school as well as a college degree.

As you know, these programs help students. They save time and money on college courses while building the skills and confidence they need to succeed in the college environment. The President has expressed his efforts to help high school students begin earning college credits.

Do you anticipate increased support for early college and dual enrollment programs?

BENEFITS OF DUAL ENROLLMENT PROGRAMS

Secretary DUNCAN. Senator Kohl, I am very familiar with that work under your leadership, and I want you to know how much I appreciate it. It does a couple things for students, and I will tell you how we will support it, but let me tell you why I think it's so important.

First of all, in these tough economic times, having students get that college credit in their back pocket before they go on to college will save the high school student significant money.

The second thing it does, which I think is probably more important, particularly for children who might be first generation going to college, and English language learners, it helps them really understand in their heart, that they can be successful at the college level. They really can do it. Some of these children reach a psychological barrier, that they are academically prepared, but because they don't have family members who have taken that step, they

don't believe they can do it. And when they have that dual enrollment or dual credit system as a 10th, 11th, 12th grader, they know they can be successful at that collegiate level.

So there is a huge opportunity in both the \$4.35 billion Race to the Top Fund for States, as well as the \$650 million Innovation Fund for districts, community colleges, universities, cities, whatever it might be, to come together and expand upon those programs that are working. I think that's a very significant investment.

Senator KOHL. In terms of priority, the program seems to me should have a very high priority, if we talk about encouraging our high school students that aspire to going to college, and to more than talk about it, to give them a way in which they can start down that path.

What kind of a priority do you have on that?

Secretary DUNCAN. Dual enrollment is one of our FIPSE competitive priorities in fiscal year 2010.

INCENTIVE PAY FOR TEACHERS

Senator KOHL. Thank you. On the teacher incentive fund and merit pay, during your time in Chicago, how did you work with teachers and unions to get this kind of a system up and going and implemented? What did you learn?

Secretary DUNCAN. As I said, the only way—I know Senator Murray has some concerns, so I should have addressed this more clearly while she was here, the only way this works is when you do it in collaboration. And actually what we did in Chicago, is we had a set of the best teachers in the system who started an advisory council for me, they actually set the program up. So it was absolutely teacher led.

They figured it out. They went out and met with schools around the city and they applied for the grant through the Department of Education and did a phenomenal job. I think we were awarded the largest grant in the country.

And it's interesting. You do all this hard work, and you think you have a good idea, but at the end of the day, you don't know if anyone is going to be interested. We had 120 schools show interest and we would only go to schools where 75 percent of the teachers wanted the program. And at most of the schools we picked, 95, 98, 100 percent of the teachers asked for it.

So this is driven by great, great teachers. They want to be rewarded. They want that excellence, to shine a spotlight on that, and they want to get more great teachers into underserved communities. So this is a perfect opportunity for collaboration. And there can be tough conversations or differences of opinion, and that's part of the process. But the program we did in Chicago was created and established and led by a set of the best teachers in the city.

ADDRESSING IMMEDIATE FISCAL NEEDS AND SUSTAINABLE REFORM

Senator KOHL. Good. As you know, the Recovery Act passed by Congress contains billions of dollars for one-time funding for public schools. In many States, such as my own State, they are facing serious budget constraints and struggling just to preserve jobs and maintain existing education services. As you administer the funds provided in the Recovery package, how will you help States invest

in sustainable improvements while also addressing their immediate fiscal concerns?

Secretary DUNCAN. Right, and sometimes people can see that as a tension, and I think this is a real test of leadership and creativity. So it is, you know, times of crisis that provide us a huge opportunity. We have to be thinking about both. Let me give you an example, on the IDEA funding, unprecedented resources, how can you spend that money wisely? I would argue that one of the best things that we can do is invest a massive amount of money and train all teachers how to better work with special education teachers. I think we have had this divide between special education teachers and regular teachers, and the fact of the matter is so many of our regular education teachers have special education students in their classroom, and don't know how to do a good job with them. And so I think that's one area where the benefits for those teachers and school systems will far outlast the availability of those funds.

And so we want to work very, very hard. You see, again, I talk a lot about time. You know, thinking differently about time. You see lots of school districts trying to figure out how to do more over the summer, more on the weekends, more on Saturdays, and bring in nonprofit partners and build sustainable programs, where schools are open 12, 13, 14 hours a day. Where the money can be a catalyst by bringing in all these outside partners, you have a huge leverage on those resources.

So we are going to continue to provide guidance. We are going to highlight examples of success, like Cincinnati, that added what they call a fifth quarter, this summer, now, for their students, keeping them a month longer after the school year ends. We are going to continue to provide those kinds of best practices as examples for folks around the country.

PREPARED STATEMENT

And, you will see some real innovation. And you will see some folks that are paralyzed by the crisis, and this will be a real test of how leadership handles a tough situation and an opportunity, and I would argue that the nexus of crisis and opportunity gives a huge chance to push for the kind of dramatic change we need.

[The statement follows:]

PREPARED STATEMENT OF SENATOR HERB KOHL

Thank you, Mr. Chairman. Mr. Duncan, I join my colleagues in welcoming you here today. I appreciate the difficult task you face in improving our public education system, particularly in light of the fiscal constraints we face during this recession. As we seek to maintain America's competitiveness in the global economy and guarantee our children their chance at the American Dream, I believe your task is more important than ever.

As you know, one of the first orders of business must be to reform and reauthorize the Elementary and Secondary Education Act, currently known as No Child Left Behind. I initially supported this legislation because it guaranteed increased Federal funding and flexibility in exchange for real accountability from schools. However, over the years, funding levels have fallen billions short of what was authorized, and schools are struggling to meet the law's requirements without the necessary resources and evidence-based solutions to meet ongoing challenges. To make matters worse, Congress also has not provided the funding promised to States for special education under the Individuals with Disabilities Education Act. This chronic under-

funding of our public schools has caused serious hardships nationwide and makes it extremely difficult for teachers and students to meet their goals.

I am hopeful that President Obama and this Congress will make school funding one of our Nation's highest priorities. Although the current economic crisis requires fiscal prudence, I believe education is one of the best investments our Nation can make to ensure future economic growth and stability. I am also hopeful that, under your new leadership, the Department of Education will use Federal funding to foster innovative ideas and new policy solutions to ensure that all students have the opportunity to fulfill their potential—regardless of the State or neighborhood in which they live. I look forward to working with you and the President as we work toward these important goals.

Senator KOHL. Thank you so much. Thank you, Mr. Chairman.

Senator HARKIN. Thank you Senator Kohl. We call Senator Pryor.

STATEMENT OF SENATOR MARK PRYOR

Senator PRYOR. Thank you, Mr. Chairman. And Mr. Secretary, thank you for being here. I first want to start on the stimulus spending and say that the feedback from the Arkansas Department of Education and educators in our State are very positive on that and we appreciate your help and your Department's cooperation and assistance. And I am sure a lot of other States have had that same experience, and we want to thank you for that.

Secretary DUNCAN. We will try and keep it that way. Just one plug for our staff. They have done a phenomenal job. Folks are applying, and we are committed to turning around the applications in 14 days, and we have been doing it in 6. Our staff is working nights and weekends and I couldn't be more proud of their collective effort.

Senator PRYOR. That's very un-Federal and un-Government like, and that's good.

Let me also mention just one concern, and that is, our State Department of Education has put a lot of requirements and very stringent guidelines on the money to make sure it is going to the right places and doing the right things. And we understand that there is going to be an audit of that, and that's great. Everybody should welcome that. But the only thing is that I would ask, that your Department coordinate with our State departments around the country to make sure that we are auditing the same things, and that we are focused on the same things.

Secretary DUNCAN. I would be happy to go over that with you. With unprecedented resources you want to have unprecedented transparency and real clarity and visibility to see how every single dollar is being spent.

Senator PRYOR. Right.

Secretary DUNCAN. And as much as we coordinate and work together, and not waste and not overload and not duplicate resources, that makes a lot of sense.

ADDRESSING THE DROPOUT PROBLEM

Senator PRYOR. Exactly. Thank you very much for that. I also want to follow up on something that Senator Cochran mentioned earlier about dropouts and how that has been a real challenge for the Nation, and you mentioned about the drag on the economy and problems that that causes long term. I think you guys have set

aside, what, \$50 million for a new high school graduation initiative, and how did you arrive at that figure and how do you envision that money being spent on that?

Secretary DUNCAN. That is a piece of the money, again, I would mention the \$5 billion school improvement entitlement money that we really want to focus on this. And I think as a country, we have shied away from the complexity of this and the difficulties of this, and I think we do that at great detriment to those children, and at great harm to our Nation's economy long term. So I want to confront this front and center.

And again, when you look at the data, it's fascinating. The economic costs are staggering. When we think about 2,000 high schools producing half the Nation's dropouts, and 75 percent of the dropouts are minority children, that's a number you can get your hands around. You can't tackle every school tomorrow, but if we could systemically, year after year, come back and do something dramatically better, not just for those high schools, but those feeder elementaries as well, I think we could turn this around.

And what we have, why I am optimistic, is we have in every rural community that's poor, and any inner city urban community, while we have these "dropout factories" we also have schools where 95 percent of students are graduating, and 90 percent of those that graduated are going on to college. So we know what works. We know what is successful out there. There are more good examples out there today than ever before, and what we want to do is scale those up, invest in those best practices, and give more students those kinds of opportunities.

So this is a tough battle, but it's absolutely the battle I think we need to fight and I am committed to being in it for the long haul.

Senator PRYOR. And it's another example of where the public schools, the apparent demographics of the population that we are serving presents a lot of unique challenges and circumstances around the country.

THE GRADUATES ACT

Let me just let you know about something, if you don't already, and that is, last year, Senator Harry Reid and I had a bill, we called the Graduates Act, and basically what we were trying to do is come up with a way to incentivize and reward, innovative partnerships to try and keep people in school with the public and private sector. Are you familiar with that?

RAISING COLLEGE GRADUATION BY 2020

Secretary DUNCAN. Yeah, and we want to build upon all those—everything we can do to have students not just graduate from high school, but go to college; but not just go, but graduate from college. We have to. That's what this work is about at the end of the day, to try to dramatically drive up our college graduates by 2020. We have to take steps every single year, and I appreciate your leadership in that effort.

Senator PRYOR. Well, I just—that was a little bit before your time, before you got here, and I just wanted to make sure you were aware of it.

SAFE AND DRUG-FREE SCHOOLS STATE GRANTS

There are some grants that serve at-risk populations that the administration has eliminated or has proposed elimination of that deal with safe and drug-free schools. Could you talk a little bit about that?

Secretary DUNCAN. I did. I talked about it in my statement. That what we saw was that money we put out—obviously those are big issues for me, both trying to keep our schools drug-free, but also dramatically reduce violence. We found through research and doing evaluation of this money that we put through the States, there wasn't much effectiveness there. But money we put out directly to districts and schools, we saw more effectiveness. So we basically eliminated the State grants and put an additional \$100 million into a national program.

So I was trying to be more strategic: same goals, same commitment. We are trying to be much more targeted in getting those resources where it needs to happen.

Money was dribbling out to States, and we just weren't seeing in objective research, in evaluative studies, we weren't seeing the impact we want.

Senator PRYOR. Do you feel like you have good ways to measure that? Are you confident in your ability to measure that?

Secretary DUNCAN. Yes, I am pretty confident we can measure that.

Senator PRYOR. Thank you, Mr. Chairman.

Senator HARKIN. Thank you, Senator Pryor. Senator Specter.

Senator SPECTER. Thank you, Mr. Chairman. I join my colleagues, Secretary Duncan, in welcoming you here. You have taken on a tough job. I have had the opportunity to work on this subcommittee for many years, and it's very, very difficult.

PROPOSAL TO MOVE FFEL TO ALL DIRECT LOANS

I would like to start by asking you about the Federal Family Education Loan Program, where the proposal has been made to have direct loans as of July 1, 2010 and questions have been raised in my State by the folks in the Pennsylvania Higher Education Assistance Agency as to whether that can be implemented in that length of time, and whether the allocation of funding set at \$500 million per year would be adequate to take on the services which are currently provided, including early awareness, financial literacy training and counseling programs; and what will happen to the very substantial number of employees who are working for not-for-profit in public agencies in their State. So it is a sweeping change. No doubt this is a very important program, and necessary to keep young people in school, especially given the economic problems of today.

How do you propose to address those very serious considerations?

SAVINGS FROM MOVE TO DIRECT LOANS

Secretary DUNCAN. Yeah, so there are a couple pieces. First is by making that switch from FFEL to direct lending, we can dramatically increase the amount of money going out to students directly, you know, in Pell grants. So we are anticipating savings of over \$4

billion a year, and at a time when going to college has never been more important, as you know, it's never been more expensive and families have never been under more financial duress.

So we can sustain indefinitely, dramatically higher levels of funding for students without going back to taxpayers for another dollar. The \$2.5 billion over 5 years, to help work on not just access, but on completion, actually significantly increases the amount of resources that will go out to nonprofits. It will help keep those students in school and build a culture at universities where it's not just about access, but it's about attainment, making sure students know what the opportunities are and in making sure they graduate.

LOAN SERVICING UNDER DIRECT LOANS

So we think these are the right investments to make. On the servicing of loans, we don't want to get into that business. That is all going to be done by the private sector. We don't want to get into that. We have no expertise in it.

PROGRAMS PROVIDING TRANSITION TO COLLEGE SERVICES

Senator SPECTER. Mr. Secretary, how about programs that I stated and enumerated on: early awareness, financial literacy training, counseling programs, will they be maintained under the changed program?

Secretary DUNCAN. I think more than maintain, we want to actually enhance. We want to do more than that.

Senator SPECTER. Do you have more than the \$500 million, which is currently allocated here?

Secretary DUNCAN. Well, that's a starting point. I think that's a very significant investment and to be able to do that every year over the next 5 years gives us a huge opportunity to better inform and better help students understand what their options are.

IMPACT ON EMPLOYMENT

Senator SPECTER. How about the large number of employees? Would there be some effort made to transition and accommodate the 2,200 employees who are in my State, and who are of great concern to me?

Secretary DUNCAN. Well, again, it depends what business they're in—on that side, we think there will be a growing market. We are going to need more folks doing this work and we think we are actually going to increase the market share for the folks working on the servicing of loans. And so we are hopeful that the job loss will be minimal and we're actually going to create jobs in those two areas.

GEAR UP PROGRAM

Senator SPECTER. Mr. Secretary, shifting to another program. There has been an operation called GEAR UP, which was originated by Congressman Fattah on the House side. And this subcommittee has provided very substantial funding of \$300 million a year and the program has been in existence for 7 or 8 years now. So it has really taken off. And these are at-risk students, and they tie into efforts which this subcommittee has taken the lead on men-

toring. So many single parent families, working mothers, children at loose ends, not afterschool care, and efforts have been made to find adult mentors in the community, this ties into many facets of their lives: the learning program, the delinquency issue, the crime problems, and I would be interested to know what thought you might have of your Department supplementing efforts now being undertaken.

Secretary DUNCAN. I am a big fan of the GEAR UP program. We were a large beneficiary of that program in Chicago, and for all of the reasons you said, these are students who desperately need that help and need the chance to be supported in that transition from high school to college, and so we are going to support those efforts going forward.

IMPORTANCE OF MENTORING

Senator SPECTER. How about the mentoring aspect?

Secretary DUNCAN. That's hugely important. Our children need adults in their lives to help them to understand what their options are, and doing the hard work with them every single day to stay on track.

Senator SPECTER. Thank you, Mr. Secretary. I'd appreciate it if I could have your commitment to take a personal look at how the Direct Loan program is going to go, to accommodate as best you can the kinds of concerns I have raised.

Secretary DUNCAN. You have that, and I would be happy to sit down with you further and discuss exactly what's going on in your State.

Senator SPECTER. Thank you.

BASIS FOR AWARDED LOAN SERVICING CONTRACTS

Senator HARKIN. I just want to echo a little bit what Senator Specter just said here. The last thing I want to see happen is to see Mr. Lord get more money to buy—to build more private golf courses for himself. You know, this whole scandal that happened at Sallie Mae was awful. If someone can make that much money off the back of students, that just shouldn't be allowed. Now again, because Sallie Mae has gotten so big, because of the subsidies that we have given to Sallie Mae over the years, now they are able to undercut everybody else. So, it does require some more looking into.

If just the cost is the only basis on which we are going to award these service contracts, then Sallie Mae can undercut everybody. But, my gosh, we are the ones who gave them all these subsidies all these years so they could get that big.

Secretary DUNCAN. It just can't be cost. It is going to be cost and ability to help those students.

Senator HARKIN. Exactly. I appreciate it.

Secretary DUNCAN. You have to look at both.

Senator HARKIN. I appreciate that.

Secretary DUNCAN. You have to look at outcomes.

SUSTAINING RECOVERY FUND INITIATIVES

Senator HARKIN. And outcomes, exactly right. Exactly, Mr. Secretary. Mr. Secretary, you mentioned Cincinnati has increased the school year by a month?

Secretary DUNCAN. Yes.

Senator HARKIN. Well, that's pretty good. My question is where does the money come from?

Secretary DUNCAN. The stimulus.

Senator HARKIN. Stimulus money? So what are they going to do when the stimulus money runs out?

Secretary DUNCAN. Well, we will cross that bridge when we get there. But, this is the right thing to do for children now and it keeps students at-risk in school. It keeps teachers teaching. And what I would argue is that every dollar, historically, hasn't always been used really wisely, and you are going to see some innovation with stimulus dollars, and if these things work—I am very optimistic. Obviously we don't have any data yet, but what I would argue is if districts and States start to do some creative things with stimulus dollars, that might change their allocation and their strategic use of their dollars once that money is gone.

LONGER SCHOOL YEAR

Senator HARKIN. Don't misunderstand me. I happen to be one of those in favor of a longer school year. I think the school year ought to be 11 months.

Secretary DUNCAN. Twelve.

Senator HARKIN. Well, I am all for giving them the month of August, 3 or 4 weeks in August, that would be fine. But I do believe that it should be longer. And we have got to get to that point. It is just not right what we are doing with these kids today.

Secretary DUNCAN. And again, I think this is one bit where we have not had as much creativity as we need. And more and more, the data is showing this. And if we can use stimulus dollars as sort of the impetus to get this gain, I think folks will start to think about how they are using other resources and start to allocate more funding in this direction. But this opens that door, which I think is so important.

Senator HARKIN. Well, let's open the door further. I would, both on this subcommittee, as Chair of the subcommittee, but also on the authorizing committee, we ought to be saying what we can do over the next few years to expand that school year? We have got to do this. We just can't keep on like we are.

Secretary DUNCAN. I appreciate your leadership on this issue. I think it's a big, big deal.

Senator HARKIN. I don't know if I am much leadership, but I got a lot of support for you. I can put you out there on the point, Mr. Secretary. We'll be right there backing you up.

RECOVERY ACT DISCRETIONARY EDUCATION FUNDS

Let me ask you a little bit more about the Recovery Act. It provides that you get more money for discretion than any Secretary of Education has ever had. This is your money and you can just

sort of do with it as you wish, \$4.35 billion for the Race To The Top Fund, \$650 million for What Works and Innovation Fund.

RACE TO THE TOP FUND GOALS

Again, this can be powerful incentives. Again, we don't really have many details on what you plan to do with it. On the Race To The Top Fund, I mean, let's fast forward a few years. I mean, if we go ahead 5 years, what will you hope to have achieved, and how will we know if it has worked? What will be different in terms of what districts and States do in education?

Give me some idea about this Race To The Top.

Secretary DUNCAN. What we want to do—what I think, historically, what we have a bit is the race to the bottom. And that has really hurt our country and hurt our economy and hurt our children, and we want to fundamentally use these dollars to reverse that. And the Race To The Top means it's not by accident.

What we want to do, let me take the \$4.35 billion first and I will come back to the \$650 million. On the \$4.35 billion, we want to work with a set of States that are willing to lead the country where we believe we need to go. There are four areas we are looking at.

SETTING HIGHER STANDARDS

One is we want to see higher standards. I have been arguing pretty vociferously that in too many States, due to political pressures, standards have been dummed down and watered down, and that in fact, we have been lying to children. Let me take 1 minute on why I say that.

When you tell a child that they are "meeting a State standard," the logical assumption by that child and that parent is that child is on track to be successful.

In far too many places, including the State I am from, from Illinois, those children who are "meeting the standards" are barely able to graduate from high school, and absolutely inadequately prepared to go to a competitive university, let alone graduate.

So we want to talk about common, college-ready, career-ready, internationally benchmarked standards. Really raising the bar there.

DEVELOPING COMPREHENSIVE DATA SYSTEMS

Second, we want to talk about comprehensive data systems, so that you can't lose children throughout the educational trajectory. You have to know how they are performing. You want to be able to track students to their teachers, to know which teachers are making the biggest difference in their students' lives, and you want to be able to track teachers back to their schools of education, so you can know which schools of education are producing the teachers, who are producing the students that are learning the most.

INVESTING IN TALENT

Third, we want to invest deeply in talent. Great teaching, great principals matter tremendously. And how do we think about getting the best and the brightest to work in the communities that have been historically underserved—rural, inner city, and urban?

We have had a shortage of math and science teachers for how long? A couple of decades? I would like to pay math and science teachers more. Some people disagree with me. I think we need to end that. And how can we create the next generation of engineers and mathematicians and people who are going to create the breakthrough technologies if they are not being taught by the teachers who know the content?

So really working with States that are willing to think differently about talent, getting the best and the brightest where we need them, awarding excellence, thinking about areas of critical need.

HELPING STRUGGLING SCHOOLS

And then finally, I keep coming back to this idea of struggling schools, and I want to take just 1 second on this. We have about 95,000 schools in our country. Let's call it 100,000. What if we took the bottom 1 percent, the bottom 1 percent of schools each year—

Senator HARKIN. You mean bottom in what way?

Secretary DUNCAN. One thousand schools, dropout factories, low gain, students not learning, basically just simply not working; and we can figure out State-by-State what that would look like. What if we took their bottom 1 percent every year and just fundamentally turned them around? Stop tweaking around the edges, stop looking at incremental change, but really trying to attack this dropout program full, square on, at both the high school, middle school, and at the elementary level.

What we want to do is look at those four reforms and work with a set of States and invest hundreds of millions of dollars in those States that are willing to lead the country where we need to go. This is really about having courage, and having the will to challenge the status quo in some areas.

RACE TO THE TOP—REQUEST FOR PROPOSALS

So in the next 2 months or so, we will issue a request for proposal to States. We will look at how they are making progress against these things, and we want to have a set of States, again, lead the country and set an example of what is possible.

On the \$650 million, the Innovation Fund, investing in what works—

Senator HARKIN. Let me interrupt. So the request for proposals, when you put those out, and you are going to do that within the next month?

Secretary DUNCAN. Two to three months. We want to be very thoughtful about it, so we are spending lots of time thinking about it now.

Senator HARKIN. Okay. So they will include specific areas of focus in the requests?

Secretary DUNCAN. Yeah, and these echo and mirror the assurances we look for on the stimulus dollars, under the Recovery Act. These are the same areas. We are trying to be very, very consistent in our message. We ask States to make a series of assurances to receive stimulus dollars, and this RFP, this request for proposal, will mirror those same assurances. So we are trying, again, to be laser-like focused on those things that we think will make the biggest difference.

INVESTING IN INNOVATION

Senator HARKIN. Now the \$650 million?

Secretary DUNCAN. The \$650 million is not focused on States. It's focused on districts and nonprofits. So this is trying to—again, we have so many districts and we have so many schools and we have so many nonprofits that are making huge differences in students' lives.

For me, what's so helpful is that I don't think I have to come up with any great ideas. I think all of the great ideas are out there. We need to listen. We need to learn. We need to invest in what works and scale it up.

And what our challenge is and opportunity, I think, Mr. Chairman, is this. We have these huge pockets of excellence. We have these islands of excellence. I want to take those to scale. If something is working, I want to give more students, more teachers, more communities the opportunity to benefit from that.

We are seeing this flourishing of innovation in education over the past 10, 15 years. We have wonderful examples of what is happening, but they are all constrained by resources. If we can significantly invest in those and give more students, more teachers and more schools, more districts, more communities those kinds of opportunities, I just simply want to invest in what in those programs have demonstrated an ability to make a difference in students' lives. That's the purpose of this \$650 million.

Senator HARKIN. Thank you very much. I will come back to that, but first I want to yield to Senator Reed.

ACCESS AND COMPLETION INCENTIVE FUND

Senator REED. Thank you, very much, Mr. Chairman, and welcome Mr. Secretary. And let me first raise a question that I suggested in my opening comments. That is that the Access and Completion Incentive Fund is something that we are all excited about. In your own statement, you suggest that it is going to be built on some form of the LEAP and GAP program that we passed last year. And I wonder if you might go into some of the details, Mr. Secretary?

Secretary DUNCAN. Yes. I think these are really complementary. What the LEAP—and this is your baby, so you well know that LEAP can help some States do more to create need-based aid, not just merit based, so really helping those students who are poor. And again, what I want to do is not just help give them access, I want to drive up completion rates. I want to work on attainment. So what these resources will do, it will go through States to universities, to really build a culture that helps those—probably help those very same students that your program is supporting—those students who come in, who may not have had family members who have gone to college, who might be English language learners, and so for me, the goal is not just about access. It's about completion. I think that these two, could actually be very, very complementary and mutually reinforcing.

Senator REED. Well, part of this whole process is making children aware, really, of their potential to go onto higher education, and also, to try and incentivize the State to put more money in

what are very difficult times. So anything you could do to coordinate those programs, make them work in tandem, not just to get them there, as you said, both financially and academically.

Secretary DUNCAN. It's really interesting, not to belabor the point, but as you well know, universities are actually, to me, a lot like high school. You have some high schools that do a great job on graduation rates, and some that don't. There are some colleges that do a great job in working with at-risk students and help them to graduate, and some don't. Again, we have to scale up those best practices. And I will tell you honestly, that we tracked this data very closely in Chicago, and we started to steer our graduates away from some universities, and towards others. Because as we looked at the data, we saw that some universities that would have—you know this type of population, this GPA, this class rank, this SAT score; 90 percent of those students were graduating, and at another university, 50 percent were. I mean, huge disparities from very similar populations.

And so the more we can share those best practices, and get more universities thinking about this—you know, we have done very little to incentivize universities to graduate students. We give them lots of money to get students in the door, but we haven't done enough on the completion side. And that's where I want to continue to focus every single year.

Senator REED. Thank you. Let me turn the page literally to another issue, and that is I commend you for the economic recovery package, getting money out. As you pointed out in your opening statement, preserving employment and preserving opportunity for students in thousands of communities, both large and small, across the country.

The first round was, essentially, to get the money out to plug gaps. And the second round, though, I think you are going to have to look closely at how that money has been spent, so that it is truly honed in on the objectives and the outcomes and the reform that you emphasized.

Can you give us an indication of how you are going to look at the second round of funding, and tell what judgments you will make?

Secretary DUNCAN. Sure. And it's a great question. We intentionally did not put out 100 percent of the money. We put out a lot because there was desperate need and we wanted to stave off this educational catastrophe. And again, coming from my previous job, you want to give States and districts the opportunity to plan for the upcoming school year and not have that uncertainty.

You are exactly right. As we go into the second round, let me be clear, where States are doing the right thing, and being creative and innovative, that's right. And we will continue to support them.

Where States have acted in bad faith, or are playing shell games or doing nothing, we have the ability to withhold that money.

And further beyond that—so that's the stick. And we are prepared—don't want to use it—but we are prepared to use it if need be.

And the second part of that—the carrot, as Mr. Chairman brought out, is that we have these unprecedented discretionary resources, you know, \$4.35 billion Race To The Top, \$650 million In-

vest in What Works Innovation Fund. And I will tell you, States that are trying to game the system or are playing shell games or act in bad faith, they will basically eliminate themselves from those further competitions, and deprive their States of unprecedented new resources coming in.

And so we are trying to work with both carrots and sticks to encourage States to do the right thing by their children.

Senator REED. Well, I think that's a very important message to get out today because States are under excruciating fiscal pressure. And the pressure to just get through the day is so excruciating that unless you lay down clear guidance and clear markers, from what you said today, I think that they will succumb to that.

Secretary DUNCAN. Yeah. We are trying to be absolutely, explicitly clear. We will continue to do that, and again, we are not looking for a fight. But we are prepared to have that, if need be.

This is too big of an opportunity for our Nation's school children to mess around.

IMPROVING LITERACY THROUGH SCHOOL LIBRARIES

Senator REED. Let me raise another issue, Mr. Secretary, and that is that with my colleagues, we work to improve school libraries, and not only just for the sake of the library, but for improving literacy. And we have had some very impressive results in terms of demonstrating increases in literacy. I know that the budget is rather slim, about \$19 million, I think. The grants that have been put out, I think they were roughly 496 applicants and only 60 were filled because of the budget limitations.

And the other aspect to the legislation is that if we ever reach the \$100 million mark, and it's a formula in every State, but a few States, the District of Columbia has never yet received a grant. So again, a difficult set of priorities. I would like to work with you to see if we can put some more resources on the program.

And also, to validate the effectiveness of this proposal.

Secretary DUNCAN. Yes. I appreciate that and we can look at that line item again, I would—I am happy to work with you in that, but with stimulus dollars, with Race To The Top dollars, it's a huge opportunity for States and districts to invest in creative ways. They have title I dollars, an unprecedented resource on the table, if folks can think about—not just line items, but how they can strategically use all of these resources to arrive at a common agenda. And that's a huge potential avenue for schools to improve.

Senator REED. I think just your sort of emphasis on school libraries and their role in literacy, together with those other resources might be a very important ingredient in this program.

Secretary DUNCAN. I appreciate that.

Senator REED. Thank you, Mr. Chairman.

RACE TO THE TOP FUND COMPETITION

Senator HARKIN. Back to the RFP, the request for proposals, how many do you expect to award; do you have any ball park idea at all?

Secretary DUNCAN. I really don't. Again, we are going to set a high bar, and so this is not—we are going to say "No" to some folks and that is going to create some pressure—but when we say a race

to the top, we literally mean that. So we will set a high bar, and States that hit it, that's great. And what we may do is we may come back with a second round, you know, down the road. So States that don't hit the bar now will come back and we will say you have another opportunity if you make these changes.

We will be very, very clear to States, this is where you hit it and this is where you didn't. And you know, I would love it if at the end of the day, when we are done with this, if we had all 50 States doing these things, that would be phenomenal. I mean, our children would be in great, great shape. But this is going to be—we are going to be very, very clear about our expectations and give folks a chance to hit it now, and give folks a chance to come back, and where they are a little short or not doing something that we think is important, they will have the opportunity to address that, to correct it and come back down the road.

We will also put all of this out for public comment. So before anything goes out, we are going to put out a draft and give folks feedback and go through that process before we finalize it.

OBLIGATION PERIOD OF RECOVERY ACT FUNDS

Senator HARKIN. Well, you are really going to have to move rapidly. That money is—you don't—that money expires, if I am not mistaken, September 30 of next year, right?

Secretary DUNCAN. No, it can be used beyond.

Senator HARKIN. It has to be obligated. No?

Secretary DUNCAN. We have to use it by 2010.

Senator HARKIN. That's what I mean. You have to get it out by 2010?

Secretary DUNCAN. They have time beyond that.

Senator HARKIN. But it has to be obligated by then? Yes.

Secretary DUNCAN. Yes. So we will get that out, I promise you.

RACE TO THE TOP FUND AND CHARTER SCHOOLS

Senator HARKIN. Okay. Let me ask you a question about the statement that said, "States will hurt their chances to compete for millions of Federal stimulus dollars if they fail to embrace innovations, like charter schools, Secretary of Education Duncan said Thursday."

Is that it? If States have a cap on the number of charter schools, that they would have a harder time of winning one of these awards? So are charter schools a litmus test?

Secretary DUNCAN. It's not a litmus test. It may be one factor—we are going to ask a series of questions around those four assurances, and so that may be a piece of that. And again, we haven't finalized the RFP, but it may be one of the questions that we ask in those topics.

And again, let me be clear, I am not just for more charters, I am for more good charters. And so it's not just about a cap. It's much more complex than that. It's about having accountability, autonomy, and a high barrier to entry.

Senator HARKIN. I'm glad to hear you say that—

Secretary DUNCAN [continuing]. We want to address all of those things.

Senator HARKIN. Yes. Because there seems to be some thought that you are focusing so much on charter schools, that every charter school is great, no matter what.

Secretary DUNCAN. I try to be explicitly clear. I have never said that, and again, if you look at my record, I closed three charter schools for failure, and so I am for good schools of every stripe and every ilk.

WHAT WORKS AND INNOVATION FUND

Senator HARKIN. I am glad to clear that up and make that clear, that it's not necessarily a litmus test.

There's one other thing I wanted to ask you about here, and that was in this What Works and Innovation Fund, I just don't know where this might fall. But it's been my view after all these years of looking at schools, and finding schools that work, that there are a lot of different reasons why a school might be successful and one year why it won't. You have to look at a lot of factors.

IMPORTANCE OF A GOOD PRINCIPAL

But the one element that always seems to be present is whether or not they have a good principal.

Secretary DUNCAN. Very true.

Senator HARKIN. A principal who is smart, who is dedicated, who knows how to organize, how to motivate teachers, it's just invaluable. But we haven't really had a good program for training principals. You are a teacher and then you become a principal. Well, sometimes the best teacher may not be the best principal. The skill set may be different.

SCHOOL LEADERSHIP PROGRAM

So we have this school leadership program, and quite frankly, you, in your request, in your budget, you bumped it up a lot, \$19 million. We bumped it up quite a bit from 2008 to 2009, and then you asked for about \$10 million increase, up to \$29.2 million for 2010.

I guess my question has to do with these RFPs that go out. Are you going to be looking at things like that, too?

Secretary DUNCAN. Absolutely. That's exactly right—whether it's districts, whether it's States, whether it's universities, whether it's nonprofits, there are lots of folks that are training principals. Some are doing a great job of it and some aren't. We can look at the data at how those principals have been trained, that have done a lot in terms of driving up student achievement.

Senator HARKIN. Good.

Secretary DUNCAN. In those places, again, districts, universities, nonprofits, States, whatever players might be doing a great job of this, there is a huge chance to do more of that, and I absolutely concur with you. I don't think there is a good school in this country without a good principal.

I've seen quite the inverse. I have seen a school that struggled that had a great principal, that took 10 or 12 years to improve. And without the right succession plan, that good principal leaves,

and within 6 months the place is a disaster. It is much, much harder to build this thing up than it is to tear it down.

And just as in your business, and in any of the business, leadership matters tremendously. Good principals keep good teachers. They help good teachers improve. They work with the community. And so there is a huge opportunity here to invest in leadership, and that would cure many of the problems that ail us. When you see these high-performing schools in tough neighborhoods, every single one has a dynamic principal driving that change. It can't happen without it.

Senator HARKIN. I am really glad to hear you say that. So when I am looking at that request for the \$29.2 million that you are requesting, but then there might be more than that in the——

Secretary DUNCAN [continuing]. The \$650 million is absolutely eligible for that. That's the kind of thing we want to invest in.

STATE LONGITUDINAL DATA SYSTEMS

Senator HARKIN. I am really glad to hear that. Let's see what else? Let me be just a bit more general.

One of the four elements you mentioned on what you are looking at in these RFPs, comprehensive data systems on tracking students?

Secretary DUNCAN. The assurances? Yes.

Senator HARKIN. There are some systems that are out there that do this. I don't know which are good enough, but I am sure you are looking at those that are existing already?

Secretary DUNCAN. Yes. You bet.

Senator HARKIN. I don't know which ones are good enough, but I know there are some out there.

Secretary DUNCAN. Again, and this is where there is huge variation. Some States are doing a phenomenal job of this now, and other States are, you know, just sort of starting off. And what we are saying is, we're saying that this is important. You need to know where your students are, you need to know how your teachers are doing, and you need to know how the schools of education are producing the teachers that are helping.

And you have to have this fundamental basis of fact or otherwise we are just guessing. You can't guess at what is important. You need to know what is happening, and we have to track students throughout their educational career. You can't be losing students through the cracks. This is not right.

DATA QUALITY CAMPAIGN

Senator HARKIN. So you have already tasked someone in your organization to start gathering the information on this?

Secretary DUNCAN. Yes, it actually goes well beyond this. There is an outside group, called the Data Quality Campaign, DQC, that has done extensive work for years in this. They have ranked every State. They have 10 requirements. They have a set of States that make all 10. They have a set of States that make 9, 8, 7, 6, 5, and our goal would be to have every State to hit all 10 of those benchmarks.

So this goes far beyond our Department. This is really a national movement with some clear bars and clear, objective criteria, and

every State knows exactly where they stand. And we have money in the budget for data systems, and we just want to help every State get where they need to go.

I think there are 6 States now that hit all 10 of those criteria, so we have got some work to do.

Senator HARKIN. We have a system that started in Iowa just a few years ago. It's not complete in the State yet, but my information from the school board says that they really like this tracking system that they have. I will have to get more information on it. Objectively, I don't know, how well it's working, but from what I hear from people, they said they are doing a great job of tracking students and making sure they know what each student—where each student is and each teacher knows where the student is, and where they are weak, and where they are strong, what happened to them last year, that type of thing.

Secretary DUNCAN. That sounds like exactly what we are looking for.

TRANSITION AFTER RECOVERY ACT FUNDS ARE EXPENDED

Senator HARKIN. Yeah. Okay. Lastly, and I don't mean to keep you any longer, but on the Recovery Act funding, you mentioned some of the guiding principles that we would be doing. You said that they could spend money quickly and save and create jobs, implement school reform, minimize the funding cliff that we are going to be facing. And that is a big concern of all of us here. But what is going to happen when we get past next year? Some school districts are confused how to balance all of this. They say, "How do we create jobs without creating this funding cliff?" How do we implement school reform if we just focus on creating jobs?

I don't know that I have a real pointed question on that, it's just there is—and I am hearing back that there is some confusion from school districts out there. What am I supposed to do? Which is the priority: am I supposed to save some jobs, or am I supposed to hire some new employees, some new people? But then what is going to happen next year when the money runs out? What will happen to them?

I keep getting input on this all the time. I just want to explore that with you a little bit.

TARGETING RECOVERY RESOURCES—A TEST OF LEADERSHIP

Secretary DUNCAN. It's a really, really fair question, and what I would really urge is, first of all, I see these things not as contradictory, but you need to do both—let me be clear on saving jobs. With the stimulus, you know, we think we are going to save or create well north of 300,000 jobs.

Senator HARKIN. Saving? Otherwise, it would have been more?

Secretary DUNCAN. Yeah, if class size would have gone from 25 to 40, we would have laid off librarians and social workers and counselors. That would have been an absolute disaster. Obviously, I am pushing for us to get dramatically better. If we would have taken a step backwards, that would have been a catastrophe for the country.

So you have to do that. Simultaneously, I would push very hard, that if all we do is invest in the status quo, that's not going to get

us where we need to go either. And we have to attack this 30 percent national dropout rate. We have to attack these dropout factories. We have to think differently about time. We have to think differently about talent. And we can do these things at the same time. And you are seeing real innovation, real creativity happen in some places, and you are seeing other folks that are a little bit paralyzed. And this is hard. This is a lot of folks under huge financial pressure.

This is not just about principles. This is a real test of leadership and you are going to see some States and some districts and some schools do a phenomenal job of this, and also you are going to see some places get paralyzed, and they won't be able to handle the pressure.

And I would argue, you know, Rahm Emmanuel has this little—the President's Chief of Staff has this great line, "Never waste a good crisis." I really believe that. That sometimes it's in times of crisis, this intersection of crisis and opportunity, that you can sort of push this kind of fundamental reform. So I would argue, that if we could now, with existing resources, and the additional title I money that schools are requesting, that if we could fundamentally challenge some of these dropout factories and fix them, we would fix them forever, and we would stop this pouring out of kids onto the streets that have no ability to compete in today's economy and hold a good job, and support a family and own their own home.

You know, if we train a generation of teachers to work better with special education students and teach those students to read early, we would prevent a whole other generation of students being labeled special ed, a label they never escape.

So there are things that we can do now. The early childhood investment, if we do that well, these children are going to be better prepared for work and for life, you know, 20 years from now. So if we do the right thing now, on both fronts, we have this chance to fundamentally change education in our country. I really believe that.

And so these things aren't in conflict. I think they can be absolutely complementary. But it is going to take leadership and vision. And we want to share best practices. So there are no secrets in this. We are all in this together. Because as we see States and districts doing innovative things, we are going to try to continue to highlight those best practices, so that other folks can steal some ideas, and we are all in this together. We are all in this together.

PROPER USE OF RECOVERY ACT FUNDS

Senator HARKIN. Well, that's very encouraging. I read something from the States, that they might try to siphon some of this money off into other areas. I hope that we are being diligent in trying to check that.

Secretary DUNCAN. We are going to check it. And again, I am not looking for a fight, but we put out tens of billions of dollars, but we withheld tens of billions of dollars. We did that for a reason. That's exactly the reason. So that's, again, that's the stick side. The carrot side is unprecedented discretionary resources. And if States are gaming things, they are basically going to walk away and eliminate themselves from the hundreds of millions of dollars in

additional resources coming to their State. So we are trying to push very hard on both sides, carrots and sticks, to get States to do the right thing.

I know the pressure they are under. I know the difficulties and I don't imagine—and it varies. Some States are in disastrous situations, but everyone is under stress. But again, this is a test of leadership. When you are under stress, what do you do?

This is a real test of leadership right now.

RECOVERY ACT INVESTMENT IN EDUCATION

Senator HARKIN. Well, it is a real test and I think that the President was very bold in the Recovery Act, and I think that he met that by putting that money in there for education. I think the total was about \$100 billion.

Secretary DUNCAN. North of that. It is a phenomenal investment and I appreciate your tremendous leadership in this.

Senator HARKIN. Now we just want to make sure that we use it well and wisely. I can't tell you how much I like everything I hear coming from you, and from the President on this, and that we are going to make some real changes and just get us really in a new direction on education. So whatever—we will look at these budgets and these numbers and we will obviously will be consulting with you and your people on this as we go through our appropriations cycle here.

NO CHILD LEFT BEHIND AND NARROWING OF CURRICULUM

The last thing I just wanted to mention. This is not very appropriate probably for this year, it would be probably more appropriate in my other hat on the authorizing committee, but what the heck, you are here and I am here.

I can't tell you how many times I met with your predecessor, Margaret Spellings, on the issue of No Child Left Behind. And that what we had seen is because of these AYPs, and the focus on schools to do more on math and science, that what we found is that schools under this pressure were trying to pour money into that, and the first people to go were their art teachers and music teachers and physical education teachers.

IMPORTANCE OF ARTS AND PHYSICAL EDUCATION COURSES

So there are two areas: one, the physical health of our kids in school. When you build an elementary school without a playground, I don't know what statement you are making about the health of our kids. I had this quote from this one principal that said that, "We are in the business of teaching kids, not letting them play around on monkey bars", when asked about the fact that they had built a school without a playground. And so the health of our kids is important in those early years.

But also Wynton Marsalis just gave a great 1 hour discourse on culture at the Kennedy Center, about a month or so ago. It was one of the most fantastic discourses on American culture, and the history of culture as it is interwoven with the arts and music. And it just seems that we do ourselves a disservice if we don't have, again, a school education for those kids where they learn about art

and music, and what music means. And not every kid is talented enough to be in math or science, but they may have other talents. They may have talents in artistic fields, and we have to engender that. And I just think we are falling way behind on that. We are just getting it short shrift, as though it's not important. I would submit it is vitally important, and so again, with all this pressure from No Child Left Behind, I hope we think about those other two things. And don't leave them behind in terms of their health, and don't leave them behind in terms of their culture, and their appreciation for culture and the arts, music, and that type of thing.

I just wanted to state that to you.

Secretary DUNCAN. I couldn't agree with you more. I worry a lot about the narrowing of the curriculum. I think our students desperately need arts and music and dance and drama. They need health. They need PE. I think we have to give students multiple opportunities to develop their unique skills and passions and talents and give them a reason to be excited about coming to school every single day.

For me, it was sports. For another kid, it might be debate or chess or dance, or drama. We have to provide those opportunities. Our students have to be healthy. They have to be physically active.

You and I went to a phenomenal school that I will never forget in your State that has an absolutely state-of-the-art PE program. But, guess what? I am convinced that students are going to do better academically because of what is going on there and the lessons that are being learned.

So, again, it's so funny when people always talk about these things being contradictory. Monkey bars, if they spent some time on the monkey bars, I think they will learn more. I was one of those young kids that couldn't sit still all day. This is a long time, frankly, for me to sit still here. It's still a challenge; I need some monkey bars. But kids need to get up, to get some fresh air and run around a little bit. I worry a lot about our young kids that don't have those kinds of opportunities.

IMPORTANCE OF DEVELOPING ALL SKILL SETS IN SCHOOL

So these things to me aren't contradictory. They absolutely need to—do you want to improve math scores? Do some music. There is actually a lot of data about that. And so I go back to the narrowing of the curriculum, that's a problem. The school day being too short, we can't pack all this stuff in. We have got to get some more time. So this could be before school, after school—

Senator HARKIN. A longer school year.

Secretary DUNCAN [continuing]. At lunch time, a longer school year, summer enrichment, so if a kid is great at the piano or violin or dancing, drama, it's not just more of the same, but for somebody to have the chance to build upon those skills.

And so I think we have a real chance to be creative and to stop those sort of false dichotomies and false battles, and say that every kid needs these kinds of opportunities and let them figure out what the right path is for them. So, this is one that we want to spend a lot of time and thought on and try and get it right.

Senator HARKIN. Well, how can we be helpful both on the authorizing end, but also on this end, the Appropriations Committee, if

there are things that we need to pilot or we need to look at in terms of boosting some funds some place, to enhance that, I would like to know your thoughts on that. We may have some of our own, but we would like to hear your thoughts.

Secretary DUNCAN. I look forward to that.

ADDITIONAL COMMITTEE QUESTIONS

Senator HARKIN. Mr. Secretary, thank you very much. You have been very generous with your time and input and I'm sure that we will be dealing with your people and others as we move ahead on this appropriations process.

Secretary DUNCAN. Thank you so much for your leadership. I really appreciate it.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

DATA ON LEA REDUCTION OF EXPENDITURES FOR SPECIAL EDUCATION UNDER THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA)

Question. The Recovery Act provided \$11.3 billion under IDEA Part B (section 611) Special Education State grants program. These funds were intended to save jobs and improve student achievement through investments in evidence-based practices with the potential for long-term benefits. A provision in the IDEA allows States or school districts meeting requirements under IDEA to use funding increases received over the prior year to reduce levels of special education expenditures by up to 50 percent of the prior-year amount. What information has the Department collected on the number of districts and States using this provision up through the current academic year?

Answer. IDEA, section 613(a)(2)(C), permits (local education agencies (LEAs) that meet certain conditions to reduce their required level of local, or State and local, expenditures on special education by up to 50 percent of any increase in the LEA's allocation under IDEA, section 611. The Department does not have any data on the numbers of districts that have taken advantage of the flexibility available to LEAs under this provision in prior years. We do not currently have a data collection in place to collect this information; moreover, we have not learned of any districts that have taken advantage of this flexibility.

While we suspect that many more LEAs will be interested in taking advantage of this flexibility during the current fiscal year, it is worth noting that only certain LEAs will be eligible to do so. For example, pursuant to section 616(f), State educational agencies (SEAs) must prohibit any LEA that does not currently meet the requirements of the Act from taking advantage of this local maintenance of effort flexibility.

DATA COLLECTION ON LEA REDUCTION OF MAINTENANCE OF EFFORT

Question. Will the Department collect for the current academic year and future academic years the number of districts and States reducing maintenance of effort under current law; the amount of IDEA funds being used for purposes authorized under the Elementary and Secondary Education Act (ESEA); and the major categories of ESEA expenditures made using these IDEA resources?

Answer. The Department is currently developing a data collection instrument that will be used to obtain information on the extent to which LEAs reduce their special education expenditures under IDEA, section 613(a)(2)(C), or use funds for coordinated early intervening services under section 613(f). While this data collection package has not yet been formally approved, the agency is working to implement this collection in time to obtain data for the 2009 fiscal year.

DATA ON STATES INELIGIBLE TO USE MAINTENANCE OF EFFORT REDUCTION AUTHORITY

Question. What information does the Department have available on the number of States and districts ineligible to utilize the maintenance of effort (MOE) reduction

authority for reasons of: mandatory early intervening services, State not meeting requirements under IDEA or districts not meeting requirements under IDEA?

Answer. The Department does not currently have complete data on the number of LEAs that may be ineligible to utilize the MOE flexibility under section 613(a)(2)(C), either because those LEAs do not meet requirements or because they are required to spend the full mandatory 15 percent on coordinated early intervening services due a finding of significant disproportionality based on race and ethnicity. However, we do have information for particular States.

State	Number of LEAs	Number of LEAs not in meets requirements status (in 2007 or 2008)	Number of LEAs identified with significant disproportionality (in 2007 or 2008)
Arizona	590	296	(¹)
Arkansas	244	(¹)	23
California	980	85	(¹)
Connecticut	180	66	(¹)
Florida	67	16	(¹)
Georgia	180	(¹)	72
Hawaii	1		(¹)
Idaho	129	(¹)	6
Indiana	338	(¹)	7
Kentucky	176	(¹)	4
Louisiana	96	56	(¹)
Maine	154	51	(¹)
Massachusetts	391	(¹)	
New York	683	51	5
Ohio	941	542	(¹)
Rhode Island	52	14	29
South Carolina	86	(¹)	4
Tennessee	136	131	21
Texas	1,230	523	(¹)
Virgin Islands	2	2	(¹)
Wisconsin	471	137	(¹)

¹ Not known.

LONG-TERM IMPACT OF RECOVERY ACT IDEA FUNDS

Question. Lastly, what is the Department's view of the long-term impact of Recovery Act IDEA dollars being used to reduce special education expenditures?

Answer. It is not yet clear what the long-term impact of Recovery Act IDEA dollars will be, but the Department's goal is to ensure that LEAs use these emergency one-time funds to avoid teacher layoffs and support essential services, in addition to making investments in improving student outcomes and advancing reforms that will have a positive long-term impact.

TECHNICAL ASSISTANCE FOR SPECIAL EDUCATION STATE DATA COLLECTION

Question. The budget request assumes that \$15 million of part B Special Education State grants will be used for special education technical assistance related to data collection for State Performance Plans and Annual Performance Reports, as well as ensuring that LEAs are meeting the requirements of IDEA. How will requested funds be used to support these activities?

Answer. Under technical assistance for the State Data Collection program, established under section 616(i)(2) of IDEA, the Department makes competitive awards to provide technical assistance to improve the capacity of States to meet the section 616 data collection requirements. During fiscal year 2010, the Department expects to make approximately \$13 million in new awards to States, but the focus of this upcoming competition has not yet been determined.

Technical Assistance Center on IDEA Accountability Data

The request would also support one \$2 million continuation award to support a Technical Assistance Center on IDEA Accountability Data (called the Data Accountability Center). This project provides assistance and information to States to help them improve data collection infrastructures and to implement the requirements under section 616. This on-going project focuses on the following three areas: assessment of State needs; strategic planning and evaluation; and provision of technical assistance to States.

ADDITIONAL SUPPORT FOR STATES RELATED TO DATA COLLECTION

Question. What other Department of Education resources are being used currently and are requested in the fiscal year 2010 budget to assist States in carrying out their responsibilities in these areas?

Answer. The Department has not yet decided the focus areas for upcoming competitions during fiscal year 2010. The primary source of additional support to States on activities related to data collection comes from centers funded through the IDEA Technical Assistance and Dissemination program, including the Regional Resource Centers (for which \$7.8 million was awarded in fiscal year 2009 to support approximately 4 new awards) and the Post-School Outcomes Center (which receives approximately \$800,000 per year, over 5 years, beginning in fiscal year 2008).

SPECIAL EDUCATION GRANTS TO STATES PROGRAM IMPROVEMENT STRATEGIES

Question. The Congressional Budget Justification indicates that one of the Program Improvement Efforts under Special Education part B Grants to States is “identifying strategies in key topic areas that have the potential for improving results for children with disabilities.” Specifically, what strategies has the Department identified and on what basis has it targeted these particular strategies?

Answer. The Department has identified strategies in a variety of areas, including: supporting on-going, formative, school-wide strategies such as multi-tiered interventions and Positive Behavioral Intervention Strategies (PBIS); enhancing general education and special education teacher effectiveness by supporting professional development and more effective pre-service training for teachers and school leaders; requiring all special educators to be highly qualified; improving the curricula of pre-service teacher training programs; supporting formal induction and mentoring programs, and incorporating assistive technology into classroom teaching practices; establishing coordinated data systems and using data to improve student outcomes; incorporating universal design for learning principles as widely as possible, and; encouraging States to adopt rigorous standards, curricula, and assessments and ensuring that students with disabilities have an opportunity to participate alongside their general education peers to the greatest extent possible.

The Department targets these areas by making them the topical focus of competitions under special education discretionary grant programs, and by encouraging States to use funds available through the grants to states, preschool grants, and grants for infants and families formula programs to support authorized activities related to these strategies.

FUNDING SOURCES FOR PROGRAM IMPROVEMENT STRATEGIES

Question. How much funding (and what funding sources) is dedicated to implementing these strategies in the current fiscal year and how much is included in the fiscal year 2010 budget request to continue and/or expand on these efforts?

Answer. The Department has not yet decided the focus areas for upcoming competitions during fiscal year 2010. However, special education discretionary grants programs are the primary source of funding used to support strategies in key topic areas that have the potential for improving results for children with disabilities.

Special Education Pre-service Training, Professional Development, and In-service Training

For example, the Personnel Preparation Program is the key source of funding used to support key strategies related to pre-service training, professional development, and in-service training for special educators and school leaders. In fiscal year 2009, in addition to several new competitions, the Department is supporting continuation awards that target a wide range of strategies that are likely to improve results for children with disabilities.

For example, Personnel Preparation Program investments in fiscal year 2009 include:

- A new award to a consortium of universities that will produce at least 30 new doctoral candidates in the area of low-incidence sensory disabilities, including visual and hearing impairments (\$5 million over 5 years beginning in fiscal year 2009).
- Up to 15 new Paraprofessional Pre-Service Training Improvement grants. These grants will focus on improving pre-service training programs for paraprofessionals who serve children ages birth through 5, and children in grades kindergarten through grade 12, by enhancing or redesigning curricula to adequately train these paraprofessionals to address the needs of infants and toddlers with disabilities and their families.

- A single continuation award to support the Center to Improve the Recruitment and Retention of Special Educators (\$2.5 million over 5 years).
- Preparation of Leadership Personnel Grants.*—The Department will make approximately \$5 million in new awards (to 23 grantees) and \$12.3 million in continuations (to 68 grantees) in fiscal year 2009 to train personnel at the pre-service doctoral or postdoctoral level in early intervention, special education, or related services, and at the advanced graduate level (masters and specialists).
- Pre-service Improvement Grants.*—The Department will make approximately \$1.5 million in new awards (to 12 grantees) and \$4.1 million (to support 48 continuation awards) in fiscal year 2009 to institutions of higher education to ensure that pre-service training programs and curricula are aligned with the highly qualified teacher requirements.

SPECIAL EDUCATION TECHNICAL ASSISTANCE AND DISSEMINATION PROGRAM

Question. The Congressional Budget Justification under the Technical Assistance and Dissemination Program narrative indicates that the Department will be collecting performance and other information to adjust issue coverage and reallocate resources for this program. Please provide the information being used in this process and identify specifically how funding would be reallocated under the budget request.

Answer. On an on-going basis the Office of Special Education Programs (OSEP) works to ensure that resources available under this program are invested in critical areas of need. In identifying new topics for funding priorities and allocating resources OSEP considers: Institute for Education Sciences (IES) research findings; information on the needs of SEAs and LEAs and other important customers and constituencies; results from formal program evaluations; and, other relevant materials. OSEP has also established an internal Technical Assistance and Dissemination (TA & D) workgroup. This group maps all current TA & D investments, identifies discrepancies and emerging trends, proposes modifications to the scope of work in current investments, recommends projects that should be phased-out, and recommends new priorities.

The Department has not yet decided the focus areas for upcoming fiscal year 2010 competitions.

RECRUITING AND RETAINING SPECIAL EDUCATION TEACHERS

Question. The Teacher Quality Under No Child Left Behind.—Final report documents the particular challenge that high-poverty schools face in recruiting and retaining special education teachers. What specific activities (and funding sources) will be undertaken to address this issue in fiscal year 2009 and under the fiscal year 2010 budget request?

Answer. Severe shortages in the supply of special education teachers have been documented for at least 15 years, and the problem is particularly acute in high-poverty districts. The Department has adopted a number of strategies to alleviate ongoing shortages of special education teachers, including:

- Supporting initiatives that are designed to improve the overall quality of special education training programs, to ensure that all special educators are highly qualified, and consequently to reduce the high turnover-rate of new and veteran special educators teachers. For example, since fiscal year 2007 the Department has made approximately 56 Special Education Pre-Service Training Improvement grants to institutions of higher education for the purpose of restructuring or redesigning preparation programs for special educators who teach grades K through 12 to ensure that training program curricula are aligned with evidence-based practices and that all graduates meet the highly qualified teacher requirements upon program completion. During fiscal year 2009, the Department is using \$1.4 million in Personnel Preparation funds to make approximately 12 new awards in this activity area.
- Focusing limited Federal resources for scholarship support in areas where such investments are likely to have the greatest impact on supply (e.g., supporting scholarships in programs that prepare teachers of children with low-incidence disabilities and leadership personnel). During fiscal year 2009, the Department is using \$4.5 million to support approximately 23 new awards in this area.
- Supporting novel strategies to attract and retain special education teachers, such as alternative teacher certification programs, high-quality professional development, partnerships between institutions of higher education and LEAs (particularly with high-poverty LEAs/schools), and mentoring programs for recent graduates from training programs. For example, the Department supports the National Center to Improve the Recruitment and Retention of Qualified Per-

sonnel for Children with Disabilities to help States develop and implement strategies to recruit and retain sufficient numbers of highly or fully qualified personnel.

Fiscal Year 2009 State Personnel Development Grant Focus on Promising Strategies

Section 14005(d)(2) of the Recovery Act requires each State, as a condition of receiving State Fiscal Stabilization Funds (SFSF), to commit to taking “actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the ESEA . . . in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers.” Consistent with the requirements of section 14005(d)(2), in fiscal year 2009 the Department is encouraging competitive applicants under the State Personnel Development Program to address these challenges by awarding additional points to applicants who propose promising strategies.

The Department has not yet decided on priorities for upcoming fiscal year 2010 competitions.

EDUCATIONAL MATERIALS IN ACCESSIBLE FORMATS

Question. Under the Technology and Media Services Program, funds are included for a competition for State System Improvement Grants which are intended to support the development or improvement of State systems for providing to students with disabilities educational materials in accessible formats. The Congressional Budget Justification describes initial awards made under this program as “very successful.” What information enabled the Department to come to this conclusion about these awards?

Answer. In September 2007, the Department made awards under the “Educational Media Activities to Improve State Systems for Providing Educational Materials in Accessible Formats” priority to two consortia:

- The Accessible Instructional Materials (AIM) Consortium, which represents 15 States serving more than 1.3 million students under IDEA, of whom more than one-half million are estimated to have print disabilities; and
- The Pacific Consortium for Instructional Materials Accessibility Project (CIMAP). The Pacific CIMAP facilitates the collaborative efforts of the six Pacific Basin entities to build local and regional capacity for implementation of the National Instructional Materials Accessibility Standard (NIMAS) and National Instructional Materials Access Center (NIMAC) requirements, as well as all other accessibility requirements.

Educational Media Activities To Improve State Systems for Providing Educational Materials in Accessible Formats

The goals of the educational media activities to improve State systems in accessible formats are to:

- Facilitate the development of State systems for increasing the awareness and timely provision of accessible instructional materials via NIMAS/NIMAC for qualifying students and other means for nonqualifying students;
- Ensure that State systems for the identification, acquisition, and use of accessible instructional materials employ high-quality procedures and practices; and
- Produce related products and services that are scalable and can be made available to all States, Outlying Areas (OAs), and Freely Associated States (FAS), thus contributing to improving outcomes for all students with disabilities.

Making available appropriate accessible materials in a timely manner is key to improving outcomes for children and youth who are blind or have print disabilities. Every State and Pacific entity has indicated that it has made significant progress in implementing high- quality sustainable systems that ensure the provision of textbooks and related instructional materials in specialized formats in a timely manner to students with disabilities. The information that follows indicates that the participants in these projects are significantly ahead of where they were 18 months ago in leveraging local, State, and national resources so that students with print disabilities receive appropriate, accessible, and accurate core curriculum materials in a timely manner. State leaders involved in the consortia unanimously attribute much of their ability to move forward to the work of the consortia.

Educational materials obtained through source files provided by the NIMAC only may be provided to students who meet the eligibility requirements of the Act to Provide Books for the Adult Blind of March 3, 1931. However, the definition of eligibility promulgated to meet the requirements of this Act does not cover many students who are eligible under IDEA or students eligible under section 504 of the Re-

habilitation Act of 1973. The consortia have addressed the needs of both students who are eligible for materials created from NIMAS sources files and those who are not eligible for instructional materials produced from this source, but who have been determined to require accessible educational materials.

AIM Consortium

Regarding the AIM Consortium, data indicate that there are 1.3 million students with disabilities served under IDEA in the 15 States participating in the project. It is estimated that 500,000 of those students require accessible instructional materials of some sort. This number does not include students with learning disabilities who do not meet the eligibility requirements for materials produced from NIMAC source files or children with disabilities who receive services under section 504 of the Rehabilitation Act.

Throughout the grant period, the AIM Consortium and its independent evaluator have collected baseline data, periodic formative data, and summative data to determine progress and the potential impact of the work of the Consortium. To ensure that high-quality procedures and practices are used by the AIM Consortium, the Consortium's Steering Committee, made up of leaders from each of the 15 States, developed 7 Quality Indicators for the Provision of Accessible Instructional Materials to guide the development of high-quality, sustainable systems. Those quality indicators have been the basis of information-gathering on the status of State delivery systems, public awareness efforts, and targeted technical assistance. Data gathered in the fall of 2008 indicate that the current status of State systems on each of the indicators is markedly improved from the baseline obtained at the beginning of the grant period.

Progress of AIM Consortium States in Developing Systems To Provide Accessible Instructional Materials

The following table provides data on the progress the AIM Consortium States have made toward the development of individualized systems that align to the critical elements of high-quality systems for the provision of accessible instructional materials. The rating scale used to gather these data was: 1=Emerging; 2=Planning stages; 3=Under development; 4=Partly implemented; and 5=Fully implemented. The first number in the table is the mean rating that was reported by the AIM State Leaders at the beginning of the grant period. The second number represents the mean rating for the most recent data collection in February 2009, and the third number indicates the change between the baseline and the most recent data collection.

MEAN PROGRESS RATINGS IN DEVELOPING DELIVERY SYSTEMS FOR DELIVERY OF ACCESSIBLE INSTRUCTIONAL MATERIALS

Quality indicator	Mean rating— October	Mean rating— February	Change
The education agency supports the provision of appropriate, high-quality instructional materials in specialized formats to all students with print disabilities who require them	2.5	4.1	+ 1.6
The education agency supports the provision of appropriate specialized formats in a timely manner	2.5	4.0	+ 1.5
The education agency develops and implements written guidelines to define the responsibilities and actions needed for effective and efficient provision of specialized formats	1.9	3.7	+ 1.8
The education agency supports learning opportunities and technical assistance (e.g., professional development, training, and support) to facilitate the identification of students with print disabilities, as well as the selection, acquisition, and use of appropriate specialized formats	2.1	4.2	+ 2.1
The education agency develops and implements a systematic process to monitor and evaluate the equitable, timely provision of appropriate, high-quality materials in specialized formats	1.3	3.1	+ 1.8
The education agency uses data to guide changes that support continuous improvement in the selection, acquisition, and use of accessible instructional materials	1.3	2.7	+ 1.4
The education agency allocates resources sufficient to ensure the delivery and sustainability of quality services to students with print disabilities	1.9	3.8	+ 0.9

Educational Materials in Accessible Formats—Other Accomplishments

State leaders have also provided information on the following accomplishments:

- Formulation of definitions of “timely manner.” (Each State has to develop its own definition.)
- Coordination with the NIMAC and designation of authorized users. (A recent NIMAC report indicates that AIM States were responsible for 34 percent of the files that have been drawn down or assigned to date.)
- Establishment of relationships with other federally funded NIMAS-related projects such as Bookshare for Education, Recording for the Blind and Dyslexic (RFB&D), and the American Printing House for the Blind (APH). (The Pacific entities did not have relationships with these programs prior to the grant.)
- Collaboration with State assistive technology service providers.

Web Links to Overview of Three State Systems for Educational Materials in Accessible Formats

Although every AIM State has developed a system specifically focused on the needs of that State and its students, three systems are included here as examples. URLs shown below provide access to overviews of those systems: Iowa at <http://trueaim.iowa.gov/>; Maine at <http://aim.maineite.org/>; and Louisiana at <http://www.atanswers.com/aim/downloads.html>.

AIM Consortium Products

Based on input from the AIM Steering Committee, the AIM Consortium is also developing a suite of best practices products and Services that addresses critical areas of decisionmaking, which will be made readily available to all States, FASs, and OAs by the fall of 2009. Each of the products in the suite is designed to support high-quality collaborative decisionmaking by school personnel, families, and students about the selection, acquisition, and use of specialized formats of textbooks and related core materials. The primary means of distribution will be via the fully accessible AIM website.

AIM Consortium products include:

- The AIM DVD includes a variety of topics important to the selection, acquisition, and use of accessible instructional materials. The DVDs are expected to be accompanied by resource materials, possible sample lesson plans, and other training supports that would make the videos useful across multiple environments.
- The AIM Decision Making Guidelines provides a suite of tools (procedures/supports/materials) that increase awareness, knowledge, and skills related to AIM for IEP team members (the primary target group), policymakers, curriculum committee members, materials procurement personnel, publishers, and members of organizations with interest in and/or responsibilities related to the education of students with disabilities.
- The AIM Demonstration Software project provides training and support to educators and parents involved with the selection, conversion, and use of student-ready accessible instructional materials. The primary product in this project is a dual-platform laptop computer for each of the participating AIM Consortium States, on which will be loaded an extensive suite of assistive technology applications that support the use of AIM.
- The User’s Guide to Federally-Funded Accessible Media Producers will provide an overview of federally funded Accessible Media Producers, the resources available from each, who can use them, and detailed step-by-step instructions on how to access the resources.
- The online graduate level course entitled, “AIM 102” is designed to provide practical, hands on experience in the acquisition and creation of student-ready specialized format versions of print instructional materials. This course is the second in the AIM online course series (prerequisite: AIM 101: Accessible Instructional Materials). The course will cover the creation/acquisition of digital materials (DAISY book, html, etc.), scan and read systems, supported reading software, large print, Braille, and tactile graphics.
- A toolkit for implementation entitled “Using AIM in the Classroom: A Model for Implementation and Efficacy” consists of a suite of materials that can be used by SEAs and LEAs interested in supporting the use of AIM with text-to-speech technology and to measure efficacy in achieving successful outcomes. Model materials for classroom implementation including a text-to-speech training module, overview DVD, pre- and postdata collection elements/forms, and a project planning implementation checklist.

Provision of professional development and training to key stakeholders is a major part of the work of the AIM Consortium. Data on professional development and

training reported by AIM State Leaders indicate that more than 6,250 participants received training in more than 215 sessions conducted across the 15 AIM States during the grant period to date. Responses to a recent informal query sent to the Aim State Contacts Listserv indicate that before the start of the AIM Consortium, training related to the provision of accessible instructional materials either did not occur or was limited to awareness of NIMAS and NIMAC, and the creation of accessible formats via assistive technology.

Pacific Consortium for Instructional Materials Accessibility Project (CIMAP) Project Accomplishments

Some specific accomplishments of the CIMAP include connecting consortium members with available resources, such as the American Printing House for the Blind and Bookshare for Education; helping them, after the determination was made that the areas are not covered by the exemptions to the U.S. copyright law, to find other sources they can use to obtain accessible versions of educational materials; and providing appropriate forms and materials for the entities to use in making direct requests to publishers for permission to make accessible copies of educational materials. In addition, the members made improvements in how they identify students with print disabilities, established a database for children with print disabilities, and provided training on how to identify and select materials and use them in instruction.

Accessible Educational Materials Competition

Question. How will the fiscal year 2010 competition be structured to build on what was learned through the initial competition?

Answer. We have learned a lot from these projects. They have acted as a laboratory for identifying barriers to the provision of accessible materials in a timely manner and creative solutions to these problems. In addition to working directly with the 15 States and Pacific entities, the grantees have worked closely with the NIMAC, the NIMAS Technical Assistance Center, Recording for the Blind and Dyslexic, Bookshare for Education, the American Printing House for the Blind, publishers, and publishing association representatives to ensure that issues identified by the States and findings, creative solutions, and model practices developed by the projects are disseminated to all of the States.

Challenges to Timely Provision of Accessible Instructional Materials

Despite the progress made by the two consortia, there are a number of major areas where continued support of the initiative to provide accessible instructional materials to students who require them is critically needed. Some of the challenges to timely provision of accessible instructional materials that remain include, but are not limited to:

- Ambiguity related to the term “print disability”;
- Differing interpretations of who can determine that a student meets eligibility criteria for accessible instructional materials produced from source files obtained through the NIMAC;
- The provision of materials to students who are ineligible for accessible instructional materials produced from source files obtained through the NIMAC;
- Systematic quality control across the distribution process: file creation, storage, retrieval and transformation; and
- Efficiency and the elimination of redundant effort.

In addition, while much progress has been made, many States are still struggling. Only 15 States and the 6 Pacific Basin entities have had opportunities for direct support and collaboration through these projects. However, a majority of the States wanted to participate in this program. We believe that many other States could benefit from the opportunity to participate in the program.

Fiscal Year 2010 Proposal for new Consortium

The current projects end in September 2009. In fiscal year 2010 we would propose to support a new consortium of States that have not participated in the AIM Consortium or Pacific CIMAP, but that would benefit from support and collaboration as they implement systems to address the needs of students with disabilities, regardless of where they are located or their eligibility for materials produced from NIMAC source files. These States also would be expected to work closely with the NIMAS technical assistance center and other entities involved with the production of accessible materials to ensure that effective systems that address the needs of all students are implemented in all of the States.

VIDEO DESCRIPTION GRANT COMPETITION

Question. The Congressional Budget Justification indicates that \$2.5 million is included for new projects and \$1.1 million for continuation projects for support of video description and closed-captioning of educational programming that would otherwise not be required to be described or captioned. How many projects and how much funding would be dedicated to a video description grant competition in 2010?

Answer. The entire \$2.5 million would be dedicated to the video description grant competition in fiscal year 2010. We estimate that approximately five new projects would be funded through this competition.

VIDEO DESCRIPTION PERFORMANCE ASSESSMENT

Question. What has been the Department's evaluation/assessment of projects funded previously?

Answer. The Department has not conducted any formal evaluations or assessments of the video description projects. However, as part of the Department's annual Government Performance and Results Act process, we annually select a sample of Technology and Media Services projects to evaluate. For example, in fiscal year 2008, a panel of six special education experts reviewed a sample of projects that produced products in the previous fiscal year. This included four projects that produced described video or a combination of described video and captioning. The products were assessed, using a nine-point scale, along three dimensions: quality, relevance, and usefulness. Successful products are defined as those scoring 6.0 or above. These products scored an average of 6.5 on the quality dimension, 8.06 for relevance, and 7.81 for usefulness. The Department also attempts to assess the efficiency of the program by looking at the number of hours of captioning and video description obtained from its products in relation to its expenditures. For fiscal year 2008, the average cost for the captioning and descriptive video products that were reviewed was \$89.41 per hour.

REHABILITATION SERVICES AND DISABILITY RESEARCH—VOCATIONAL REHABILITATION STATE GRANTS PROGRAM

Question. In May 2009, the percent of people with disabilities in the labor force was 22.9 compared with 71.1 for persons with no disability. The unemployment rate for those with disabilities was 13.7 percent, compared with 8.9 percent for persons with no disability. The fiscal year 2010 budget includes more than \$3.5 billion under this account to support programs of vocational rehabilitation (VR) and independent living for individuals with disabilities.

What actions is the Department taking currently (or planning for fiscal year 2010) to assist State Vocational Rehabilitation agencies in increasing the number of individuals achieving and sustaining employment and how does the current budget and 2010 budget request support these actions; and lastly, what resources are available in the current year and included in the fiscal year 2010 budget request to support improved outcomes at State VR agencies?

Answer. The Department has undertaken three major initiatives in its effort to improve the performance of the VR State Grants program. These include implementing a new monitoring process that focuses on the performance of State VR agencies, enhancing the Rehabilitation Services Administration's (RSA) capacity to provide technical assistance, and developing a strategic performance plan for the VR program.

As you are aware, in fiscal year 2005, the Department redesigned its monitoring and technical assist activities to focus on performance and assist State VR agencies in increasing the number of individuals achieving and sustaining employment. Monitoring was centralized to ensure more uniform procedures, and a new organizational structure integrated RSA's data collection with monitoring activities so that the process of review and improvement is continuous and reduces the time period between assessing performance and conducting reviews. As performance and other issues are identified, RSA provides technical assistance directly to State VR agencies through the RSA monitoring team.

Monitoring and Technical Assistance Puts Performance Improvement at Forefront of RSA Activities

Investments in developing information from RSA databases for monitoring and technical assistance purposes has put performance improvement at the forefront of RSA activities. Current monitoring efforts are facilitated by several tools that provide information essential for the focus on performance. An enhanced RSA Management Information System (MIS) includes various data sets developed for performance monitoring purposes that allow RSA and State VR agency staff to perform ad

hoc queries on RSA databases and download data in MS Excel format from the RSA-2 Cost Report and the RSA-113 Quarterly Caseload Report data bases. Various sets of data tables are developed annually for use by RSA monitoring teams and State VR agencies for performance monitoring purposes. These data tables are a central beginning point for each State VR monitoring activity, and are used by RSA staff and State VR agency staff to discuss and identify program areas in need of improvement or in need of further discussion and investigation during on-site reviews. Performance information is presented and discussed in each on-site monitoring review. These data are also used to prepare annual review reports that include information about each State VR agency's program outcomes, use of resources, and performance on standards and indicators.

Technical Assistance and Continuing Education (TACE) Centers

A range of activities to assess and improve the performance of the VR program are also being conducted with support from other resources within RSA and the National Institute for Disability and Rehabilitation Research (NIDRR). The Department also recently established 10 new regional TACE Centers under the training program to provide technical assistance and continuing education to State VR agencies and other entities involved in the provision of vocational rehabilitation and independent living services. The TACE Centers assess the performance and compliance needs of agencies in their regions, including needs identified through RSA's review process, and work with RSA and State VR agencies to develop plans for addressing those needs. The TACE Centers are supported by a Technical Assistance (TA) Network consisting of other RSA- and NIDRR-funded projects focused on VR and employment.

Program Improvement Funds Projects Supporting Technical Assistance to State VR Agencies

Program Improvement funds provided under section 12 of the Rehabilitation Act are being used to support technical assistance activities, including a National Vocational Rehabilitation Technical Assistance Center (NTAC) that coordinates the activities of a TA Network that supports technical assistance and continuing education activities for State VR agencies. Nearly half (47 percent) of the funds would be used to continue support for the NTAC. Program improvement funds will also be used to increase service delivery capacity by providing forums for sharing promising practices, and by enhancing the capacity of grantees to fulfill their responsibilities more effectively and efficiently. Timely training and technical assistance will be delivered to RSA grantees and stakeholders using state-of-the-art communication methods as the primary means of dissemination, including web-based seminars (webinars), and RSA's new Dissemination and Technical Assistance Resource web-based resource. These strategies will allow RSA to reach a broader population of grantees and stakeholders without convening face-to-face meetings, greatly improving the cost effectiveness of providing ongoing training and technical assistance.

Evaluation Funds Support Studies To Improve Program Performance

Evaluation funds provided under section 14 of the act are also being used to conduct studies that will assist the Department to improve program performance. Additional information on these and other related projects and activities are provided on pages J-80 to 89 of Volume I of the Department of Education fiscal year 2010 Justification of Appropriation Estimates to Congress.

Improving Quality of Program Employment Outcomes

State VR agencies are serving more individuals with particularly challenging disabilities and personal histories, including, but not limited to, more individuals who are autistic, experience chronic mental illness, battle substance abuse, or have criminal records. New, innovative, and effective approaches are needed in order for VR agencies to improve the quality and quantity of the program's employment outcomes. Through NIDRR, the Department is supporting employment-related centers and projects that will identify and develop evidence-based practices that have been proven effective in improving employment outcomes for these and other challenging and emerging populations. The results of these investments will be disseminated to VR counselors and VR service providers to assist in their efforts to increase the number of individuals with disabilities that achieve and sustain employment.

Fiscal year 2010 Support for Projects on Employment and Vocational Rehabilitation of Individuals With Disabilities

The fiscal year 2010 budget request would support research centers and projects initiated in previous years and new projects that focus on employment and vocational rehabilitation of individuals with disabilities.

NIDRR will continue support for the following employment research centers and projects:

- Center on Demand-Side Employment Placement Models (fiscal year 2006).
- Center for Vocational Rehabilitation Research (fiscal year 2007).
- Vocational Rehabilitation Service Models for Serving Individuals with Autism Spectrum Disorders (fiscal year 2008).
- Center on Vocational Rehabilitation Program Management (fiscal year 2009).
- Center on Effective Delivery of Rehabilitation Technology by Vocational Rehabilitation Agencies (fiscal year 2009).
- Center on Improved Employment Outcomes for Individuals with Psychiatric Disabilities (fiscal year 2009).

Examples of new employment-related topics that are under consideration for NIDRR support in fiscal year 2010 include:

- Individual-level Characteristics Related to Employment Among People with Disabilities.
- Transition to Employment.
- Knowledge Translation of Employment Research Findings.
- Employer Practices Related to Employment Outcomes.
- Employment Measurement and Policy.
- Employment Outcomes for Individuals with Blindness and Low Vision.

Vocational Rehabilitation Strategic Performance Plan

Finally, RSA is developing a Vocational Rehabilitation Strategic Performance Plan, including goals, objectives, and outcome-oriented performance measures, to ensure a long-term strategic focus on program performance, performance improvement, and outcomes for individuals with significant disabilities. The plan will assist the Department in directing its resources (monitoring, technical assistance, training, demonstration, and evaluation) toward the implementation of policies and practices that are known to have a positive effect on increasing high-quality employment outcomes. RSA will use this plan to guide the administration of the VR program and address program challenges. The plan will assist RSA in monitoring progress of the VR program and to provide appropriate, targeted technical assistance to State agencies toward the achievement of desired outcomes.

FINDINGS FROM MONITORING REVIEWS OF STATE VR AGENCIES

Question. What are the major categories of findings from State VR reviews and the technical assistance provided to help State VR agencies implement corrective action plans?

Answer. Many of the findings from the reviews of State VR agencies often center on fiscal management, implementation of an order of selection for services (if a State agency does not have sufficient resources to serve all eligible individuals), and delays in service provision. When findings are identified, State VR agencies develop a corrective action plan (CAP) describing how they will address the findings. RSA then monitors the implementation of the plan until it is complete. If the compliance finding relates to a failure to meet one of the standards and indicators, the VR agency develops a program improvement plan (PIP) and RSA monitors the agency's progress toward improving its performance. In addition to compliance findings, RSA makes observations and recommendations to improve the performance of State VR agencies. Recommendations often focus on such issues as improving the VR agencies employment outcome rate, increasing the number of individuals applying for the program, improving the agency's case management system, strengthening the agency's management of data, implementing a comprehensive strategic planning process, improving internal and external communications, and developing and implementing a quality assurance system. RSA also provides technical assistance both during and after monitoring visits to assist State agencies in addressing compliance findings or to implement a recommendation. Furthermore, the TACE Centers provide additional technical assistance upon request.

DELIVERY OF TECHNICAL ASSISTANCE

Question. On average, how long does it take to complete delivery of technical assistance to address State needs?

Answer. The duration of technical assistance depends on the type and complexity of the need as well as when, how, and by whom the technical assistance is delivered. RSA offers on-site technical assistance during its reviews of State agencies, so that the delivery of some technical assistance is immediate or completed in a few days. RSA also has used annual fiscal and data management meetings to deliver technical assistance directly to agency personnel over the course of 2 days. If a State agency

has a PIP or CAP, the plan includes timelines for its completion and RSA may provide technical assistance at any point during that timeline.

The TACE Centers program provides longer-term and more systemic technical assistance. The TACE program was recently implemented and RSA does not yet have data on how long it takes the Centers to complete the delivery of technical assistance to States. The Centers submitted plans to RSA at the beginning of fiscal year 2009 describing the needs to be addressed and the activities the TACE will conduct to address them, including projected timelines for completion. The projected time for TACE Centers to complete technical assistance varies based on the complexity of the need or intervention. For example, assisting a State agency to create and launch a quality assurance system where none existed may take significantly longer than assisting a State agency to create a strategic plan for addressing personnel shortages. As such, according to TACE Center plans, the range of duration for technical assistance is anywhere from a few months to 2 years depending on the need.

IMPROVEMENT OF DEFICIENCIES IDENTIFIED IN STATE MONITORING REVIEWS

Question. Has the technical assistance, at least in part, led to improvement of the deficiencies identified in VR reviews?

Answer. Yes. Over the past 3 years, State VR agencies have made steady progress in completing corrective actions and taking steps to improve their performance as a result of RSA's technical assistance efforts. RSA provides technical assistance during and following its State monitoring reviews. RSA tracks State VR agency progress and completion of corrective actions outlined in either a CAP or a PIP. They also track a State agency's progress toward implementing recommendations aimed at improving performance. As of this time, RSA's technical assistance efforts have produced the following results:

- 60 agencies have completed all of their required corrective actions that resulted from previous monitoring reviews, and 20 State VR agencies are implementing approved corrective actions plans resulting from fiscal year 2007 and fiscal year 2008 reviews;
- During the on-site portion of RSA's reviews, agencies have corrected a significant number of deficiencies relating to reporting and fiscal management requirements; and
- RSA received 84 requests for technical assistance from State VR agencies to address performance and compliance deficiencies identified during its fiscal year 2008 reviews of 19 State agencies. RSA is either providing that TA directly or is working with the TACE Centers to provide agencies with the technical assistance they requested.

RSA has also developed an informal evaluation survey that State VR agencies and other stakeholders are requested to complete after a monitoring review. The vast majority of comments received indicate that the reviews are helpful and that the technical assistance is timely and consistent.

RESOURCES FOR REVIEWS OF CENTERS FOR INDEPENDENT LIVING

Question. Are sufficient resources available in the current year and fiscal year 2010 budget request to conduct the 20 compliance reviews of Centers for Independent Living (CILs) required by the Rehabilitation Act?

Answer. The RSA has sufficient resources to conduct 20 on-site compliance reviews of the CILs in 2009 and in 2010. In addition, RSA uses performance information that is collected annually to monitor CIL performance and compliance with established standards and indicators.

TECHNICAL ASSISTANCE FOR CENTERS FOR INDEPENDENT LIVING

Question. What resources are available in the current year and under the fiscal year 2010 budget request to provide technical assistance to CILs?

Answer. In accordance with section 721(b) of the Rehabilitation Act, RSA is setting aside \$2,965,788 of the funds appropriated for fiscal year 2009 under title VII, chapter 1, part C of the Rehabilitation Act, including \$1,575,000 in Recovery Act funds, for training and technical assistance to CILs and statewide independent living councils (SILCs). Of this amount, \$1,465,485 will be used to provide continuation funding for three grants, two of which provide training and technical assistance to CILs and one of which provides these services for SILCs. Funds remaining after funding the continuation awards will be used for new competitive awards, an estimated \$1,325,000 of which would be used to support training and technical assistance to CILs. Under the budget request for fiscal year 2010, \$1,444,788 would be set aside for training and technical assistance to CILs and SILCs. The CILs are

also eligible to receive technical assistance from the Technical Assistance and Continuing Education centers.

Question. Are these resources sufficient to meet the requirement under the Rehabilitation Act?

Answer. The allocations outlined above are sufficient to comply with the requirement in section 721(b) of the Rehabilitation Act that RSA reserve no less than 1.8 percent and no more than 2 percent of funds appropriated under title VII, chapter 1, part C of the Act for CIL and SILC training and technical assistance.

CAREER AND TECHNICAL EDUCATION

Question. A 2005 National Research Center for Career and Technical Education report found that a ratio of 1 CTE class for every 2 academic classes minimizes the risk of students dropping out of school. What role does the Department believe career and technical education courses funded under the Perkins Career and Technical Education Act have in working to support the administration's goal of decreasing the dropout rate, and contributing to the administration's high school reform efforts?

Answer. We know that many youth drop out of high school because they are not challenged and they do not feel their courses are relevant to their future careers and ambitions. Career and technical education (CTE) courses provide students with the information, training, and skills that are relevant to future careers, thus potentially making all of their classes more meaningful. As you have noted, we know that CTE courses can provide students, particularly those at risk of dropping out of school, with the motivation and justification for staying in school. According to the NCES report CTE in the United States: 1990 to 2005, students who take CTE courses in high school are likely to pursue postsecondary education. The 2006 reauthorization of the Perkins Act increased the Act's emphasis on the rigor of CTE courses and created the requirement that States create at least one "program of study," which, among other things, must include coherent and rigorous content aligned with challenging academic standards and must incorporate secondary and postsecondary elements. As such, the CTE program will continue to support the Administration's goal of decreasing the dropout rate by supporting high school reform efforts that make coursework more coherent, challenging, and relevant to postsecondary education, training, and the workforce.

INTERGOVERNMENTAL JOB TRAINING PROGRAMS REVIEW

Question. The Congressional Budget Justification indicates that the administration is conducting a comprehensive review of job training programs to assess their effectiveness. What is the Department's timeline for completing action on this review?

Answer. In preparation for the upcoming reauthorization of the Workforce Investment Act (WIA), the Department has been working with the Department of Labor, Domestic Policy Council, and Office of Management and Budget to review job training programs administered by both agencies. The goal is to ensure that education and labor programs work together effectively at the local level to provide seamless career advancement services for low-skilled adults, at-risk youth, and others needing employment and training. The review will inform the administration's policies on reauthorization of the WIA as well as budget policies in the President's 2011 budget request.

Question. What actions (and associated findings) have been completed to date?

Answer. The Office of Management and Budget has convened meetings with the Department of Education, Department of Labor, and the Domestic Policy Council to discuss the existing job training programs and the process for developing a reauthorization proposal.

NATIONAL INSTITUTE FOR LITERACY

Question. The fiscal year 2010 budget request proposes to eliminate funding for the National Institute for Literacy (NIFL). The Congressional Budget Justification indicates that the NIFL resources would be absorbed by the Department, which would continue NIFL activities that are of value to the field. How will the Department determine which activities to continue?

Answer. The Department has begun to organize meetings in order to learn more about the needs of the adult literacy and adult education communities. Once we have completed that process, we will review the existing NIFL activities and determine which of them still meet a current need and, of those, which could be subsumed within existing projects in the Department and which need to be continued regardless of the vehicle. NIFL's current system of delivery, LINC, will be part of

this review. In addition, the Department has already heard from the adult literacy and adult education field that there is a desire to create a new center on adult literacy and education. The center could provide many of the services that are authorized for NIFL under the WIA.

Question. Which National Institute for Literacy activities are continued with resources available in the fiscal year 2010 budget request?

Answer. The Department will need to complete a review of NIFL's existing activities in order to determine which activities should be continued. The funds appropriated for NIFL are multi-year funds. NIFL has not yet begun to expend its fiscal year 2009 funds and will have access to its fiscal year 2009 appropriation through September 30, 2010. This provides the Department with ample time to review the fiscal year 2010 appropriations and make decisions about the activities to continue, initiate, or terminate.

RESEARCH ON ADULT EDUCATION AND LITERACY

Question. Roughly 30 million adults have educational issues that make difficult their pursuit of education, occupational training, and securing or retaining a job. Specifically, how much research, development, and dissemination funding has IES previously dedicated to specific funding opportunities to support rigorous research on programs and strategies designed to help adults develop the reading and writing skills they need to be successful in school and/or work?

Answer. The following chart includes grants and cooperative agreements, including award amounts, awarded by the IES for research projects that focus on the development of reading and writing skills in adult students. IES would have made additional awards on this topic if more applications had been judged to be of higher quality by peer reviewers. Approximately 30 percent of the funding of the National Center on Postsecondary Research is devoted to research related to helping adults develop reading and writing skills. Other grants shown are exclusively on this topic.

RESEARCH ON ADULT EDUCATION AND LITERACY

Title of research project	Grantee	Year	Amount
Improving Adults' Reading Outcomes with Strategic Tutoring and Content Enhancement Routines	Daryl Mellard/University of Kansas	2007	\$1,991,961
Postsecondary Content-Area Reading-Writing Intervention: Development and Determination of Potential Efficacy	Dolores Perin/Teachers College, Columbia University.	2006	1,168,758
The Writing Pal: An Intelligent Tutoring System that Provides Interactive Writing Strategy Training	Danielle McNamara/University of Memphis.	2008	2,015,456
Assessing Reading Comprehension with Verbal Protocols and Latent Semantic Analysis	Joseph Magliano/Northern Illinois University.	2004	1,560,506
Developing Reading Comprehension Assessments Targeting Struggling Readers	John Sabatini/Educational Testing Service.	2004	1,572,635
Developing a Program of Postsecondary Academic Instruction Over the Corrections Learning Network	Stephen Steurer/Correctional Education Association.	2007	1,997,936
The Effects of College Remediation on Students' Academic and Labor Market Outcomes	Isaac McFarlin/University of Texas, Dallas.	2007	301,687
National Center for the Study of Adult Learning and Literacy (http://www.ncsall.net/?id=1)	John Comings	1996 (to 2007) ..	30,191,490
National Center for Postsecondary Research (http://www.postsecondaryresearch.org)	Thomas Bailey	2006	9,813,619

MAJOR FINDINGS OF RESEARCH ON ADULT READING AND WRITING

Question. What have been the major activities/findings supported by this funding?

Answer. Research on programs and practices to help adults develop their reading and writing skills has been funded through three mechanisms: (a) reading and writing research programs, (b) the postsecondary education research program, and (c) the national research and development center program.

Reading and Writing Research Programs for Adult Learners

IES has solicited applications for research on improving reading outcomes for adult learners through its research programs on reading and writing since 2002, but it has received relatively few applications for research on this topic despite the need for flexible and appropriate interventions for adult learners and for materials that enable adult education instructors to teach reading to underprepared adults. In

order to stimulate more interest in research on this topic, in 2007, IES created a separate research program called “Interventions for Struggling Adolescent and Adult Readers and Writers.”

To date, five research projects on adult literacy have been awarded. IES-funded researchers at the University of Kansas are developing interventions for Job Corps participants that focus both on mastering literacy skills and on developing the knowledge and skills needed to pass the vocational certification tests. A team at Teachers College is working to improve interventions for community college students in remedial reading classes. University of Memphis researchers are developing a computer tutor that adults can use to support their mastery of writing. The remaining grant on this topic supports the development of assessments for use with adult readers and writers. The assessment of adults has provided ongoing challenges, both because the content of typical reading assessments is inappropriate for adults, and because current assessments do not provide sufficient discrimination at the low ability end. IES is supporting the development of two new sets of assessments to address these issues.

Improving Reading Outcomes for Adults Underprepared for Postsecondary Education

IES has funded research on improving reading outcomes for adults who are underprepared for postsecondary education through its postsecondary education research program. The researchers on one of the grants are evaluating the impact of a satellite-based distance learning program for prisoners aged 18–25 on the adults’ academic achievement, progress toward a degree, recidivism, and subsequent workforce participation. The results of this evaluation are not yet available. A second project examines the effects of remediation courses on postsecondary students in Texas and Florida. Initial results have found existing remedial education programs to have no benefits for Texas students attending 2- or 4-year institutions in regards to academic credits attempted, likelihood of completing 1 year of college, degree completion, transferring to a 4-year college, or labor market earnings.

NATIONAL RESEARCH AND DEVELOPMENT CENTERS RESEARCH ON ADULT LITERACY

Through grants from IES, two national research and development centers, the National Center on Postsecondary Research and the National Center for the Study of Adult Learning and Literacy, have addressed adult literacy challenges. From 1996 to 2007, the Department of Education, through Office of Educational Research and Improvement and then IES, supported the National Center for the Study of Adult Learning and Literacy (NCSALL). NCSALL conducted primarily descriptive research highlighting the diversity of individuals being served by adult literacy instruction, characteristics of adult basic education teachers, and social and instructional processes that occur in adult education classes. In addition, NCSALL engaged in dissemination of information to practitioners.

The National Center for Postsecondary Research (NCPR) is measuring the effectiveness of programs designed to help students master the basic skills needed to advance to a degree. Their broad program of research includes two projects that specifically target reading skills for underprepared postsecondary students. The first study examines the impact of remedial English courses in community and 4-year colleges and has found that remediation improved persistence among Florida community college students but did not increase the likelihood of course completion, transfer to a 4-year school, or degree completion. The other project (no findings yet) focuses on the use of learning communities (some specifically target reading or English) in community colleges.

Although there is a great need for additional rigorous research in this area, the current capacity of the field to carry out this research is limited. In order to rectify this, IES continues to reach out to the adult education research community and to stimulate interest in adult education research on the part of researchers who have conducted rigorous research on K–12 students.

FUNDING FOR RESEARCH ON ADULT READING AND WRITING

Question. How much funding is allocated to adult reading and writing research in the current year, as well as under the budget request?

Answer. The number of grants IES awards in any year depends on the number of high-quality applications received under a specific program, such as the research program on Interventions for Struggling Adolescent and Adult Readers and Writers. No new applications for research on adult reading and writing were awarded in 2009 because IES did not receive any applications in 2009 that peer reviewers determined warranted support. Ongoing projects are receiving support. IES is unable to predict how much funding will be allocated to adult reading and writing research

in 2010, but the budget request for 2010 is sufficient to fund all applications on this topic that peer reviewers judge to be of high quality.

WHAT WORKS CLEARINGHOUSE

Question. Last year, in response to concerns raised about the operation of the What Works Clearinghouse (WWC), the National Board on Education Sciences convened an expert panel to perform a focused study addressing the fundamental question of whether the Clearinghouse's evidence review process and reports are scientifically valid. The panel report found that is generally the case, but made a number of recommendations, including that the Department of Education commission a comprehensive review of the full range of WWC activities and procedures, with a time-frame to allow a complete consideration of a number of issues that could not be fully evaluated in the Expert Panel report. What action is IES taking in and/or planning for the current fiscal year and fiscal year 2010 to address these recommendations?

Answer. The WWC and its statistical team are currently considering how the WWC standards should take into account study size and other issues noted by the expert panel. The WWC released a Procedures and Standards Handbook [Version 2.0] in December 2008 as a result of the panel's report. A comprehensive review of the full range of WWC activities and procedures and of its other dissemination activities will be a high priority for IES and its new leadership as it begins to consider reauthorization of the Education Sciences Reform Act and the development of a statement of work for the next competition for the WWC contract.

PROGRAM ADMINISTRATION STAFF INCREASES

Question. The fiscal year 2010 budget proposes a net increase of 58 full-time equivalent staff (FTEs) above the 2009 level for key positions not staffed in 2009 due to funding constraints and to implement the Recovery Act. The Congressional Budget Justification identifies 7 FTEs in the Office of Elementary and Secondary Education needed for Recovery Act implementation. Please identify the positions not staffed in 2009 due to funding constraints, as well as the impact of not staffing these positions in 2009 and in 2010.

Answer. The additional staff requested in fiscal year 2010 are necessary to perform several key functions not performed at optimal levels in 2009 due to funding constraints. These functions are grouped into the four areas listed below.

The first function requiring additional staff is monitoring grants awarded by the Department in a variety of areas including elementary education, postsecondary education, and in programs grants focusing on providing services to individuals with disabilities. Additional monitoring is needed to ensure that Department programs are both improving the quality of education and are fiscally sound.

Additional staff are also needed to work on increasing college access and student success by restructuring and dramatically expanding Federal financial aid, while making programs simpler, more reliable, and more efficient. A key component of this effort is to simplify the Federal application for student aid—Free Application for Federal Student Aid (FAFSA)—making it easier to complete and more effective for students.

Increased staff will also work on the administration's priorities related to reauthorization of the ESEA and the WIA.

Finally, staff are needed for the Department's staff offices to work on activities including budgeting, legislative affairs, public outreach, and policy formulation.

RECOVERY ACT ADMINISTRATIVE ACTIVITIES

Question. The Recovery Act required Department staff to take many actions this budget year, including developing and issuing guidance documents, allocating funds, and writing requests for proposals, without additional resources. What specific activities would be undertaken with these requested funds?

Answer. For several Recovery Act programs, such as the State Fiscal Stabilization Fund, Teacher Incentive Fund, and Impact Aid, the Department received appropriated funds for the purpose of administration and oversight. For Recovery Act programs without any administration and oversight funds, the Department has included funds necessary for this purpose in its fiscal year 2010 program administration budget request. ARRA-specific administration and oversight activities include policy development, grant award (either through allocation or grant competition), technical assistance—ensuring that grantees effectively and properly use their funds, grant reporting, and grant monitoring. In many cases, the Department assumed these activities would be covered with existing resources and staff time.

COMPLIANCE AND TECHNICAL ASSISTANCE ACTIVITIES IN THE OFFICE FOR CIVIL RIGHTS

Question. Over the last decade, more than half of the Office for Civil Rights' (OCR) complaint receipts have alleged disability discrimination. Please explain the compliance and technical assistance activities that OCR is taking currently or planning to undertake in the current budget year and fiscal year 2010.

Answer. Shown below is a list of the 29 fiscal year 2009 compliance reviews conducted by OCR. Also shown below is a list of the fiscal year 2009 planned technical assistance activities. More than 100 technical assistance presentations have already been done by OCR on the issues listed, some initiated by OCR and others requested by recipients or interested other parties such as parent groups or students. In addition, OCR does other technical assistance as requested.

Concerning the compliance reviews and technical assistance activities that OCR plans to conduct in fiscal year 2010, those plans are being developed now.

Fiscal year 2009 OCR Compliance Reviews

Fiscal year 2009 OCR Compliance Reviews:

- Providence Public Schools (RI)
- Title VI: English Language Learners services, Limited English Proficient parent communication
- Sachem Central School District (NY)
- Section 504/ADA: Coordinator, grievance procedures
- Hempstead Union Free School District (NY)
- Section 504/ADA: Coordinator, grievance procedures
- New York City Department of Education, P.S. K396 (NY)
- Section 504/ADA: Implementation of individual education programs
- New York City Department of Education, P.S. M094 (NY)
- Section 504/ADA: Implementation of individual education programs
- College of Notre Dame (MD)
- Title IX, Section 504/ADA: Coordinator, grievance procedures
- Hood College (MD)
- Title IX, Section 504/ADA; Coordinator, grievance procedures
- Cleveland County (SC)
- Title IX: Athletics
- Hillsborough County School District (FL)
- Title IX: Sexual harassment policies and procedures
- St. Lucie County School District (FL)
- Section 504/ADA: Disparate discipline
- Painesville City Local School District (OH)
- Title VI: English Language Learners services
- Notre Dame College (OH)
- Title IX: Sexual harassment policies and procedures
- Eastern Michigan University (MI)
- Title IX: Sexual harassment policies and procedures
- Moline School District (IL)
- Title VI: English Language Learners services, Limited English Proficient parent communication
- Ball State University (IN)
- Title IX: Athletics
- Bayless School District (MO)
- English Language Learners services
- Cape Girardeau #63 School District (MO)
- Section 504/ADA: Physical accessibility
- South Brown County U.S.D. #430 (KS)
- Title VI: National origin-based harassment, different treatment
- Jenks Public Schools (OK)
- Section 504/ADA: Implementation of individual education programs
- Texas A & M University (TX)
- Title IX, Section 504/ADA, Grievance procedures
- Campbell County School District (WY)
- Section 504/ADA: Coordinator, grievance procedures
- Churchill County School District (WA)
- Title IX: Athletics
- Idaho Falls School District 91 (ID)
- Title IX: Athletics
- Seattle School District No. 1 (WA)
- Title VI: School closings
- University of Montana (MT)

Section 504/ADA: Physical accessibility
 —University of Montana-Western (MT)
 Section 504/ADA: Physical accessibility
 —Mt. Diablo Unified School District (CA)
 Title VI: English language learners services
 —Ontario-Montclair Elementary School District (CA)
 Title VI, Section 504/ADA: Placement of English Language Learners in special education
 —Vallejo Unified School District (CA)
 Title VI: Race-based disparate discipline

Fiscal year 2009 Planned OCR Technical Assistance Activities

Fiscal year 2009 Planned OCR Technical Assistance Activities:
 The list that follows is only the list of subjects that OCR planned to address in fiscal year 2009.

Section 504 /ADA:

- Identification and evaluation of students;
- TA to postsecondary institutions whose Web sites are inaccessible to individuals with disabilities;
- Transition of students with disabilities from high school to postsecondary institutions;
- Training to elementary and secondary special education directors and 504 coordinators;
- TA to postsecondary institutions and veterans concerning services for disabled veterans;
- Procedural safeguards and impartial hearing process;
- Academic adjustments and auxiliary aids; and
- Students with disabilities in college.

Title IX:

- Grievance procedures and responsibilities of Title IX coordinators; and
- Sexual harassment.

Title IX: Athletics (postsecondary)

Title VI:

- Limited English proficiency

Early Complaint Resolution:

- TA to promote the use of ECR by complainants and recipients.

PROPOSED ORGANIZATIONAL PLACEMENT OF OFFICE OF CIVIL RIGHTS STAFF INCREASES

Question. How will the additional 19 FTEs in the fiscal year 2010 budget request be deployed with respect to its organization and mission?

Answer. The 19 FTE will restore OCR's staff to a level necessary to fulfill its mission, and ensure successful management of OCR programs and priorities. Sixteen FTE will be assigned to OCR's regional offices for resolving complaints and compliance reviews, and three FTE will be used in headquarters for developing policy guidance and technical assistance materials.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

EARLY CHILDHOOD EDUCATION

Question. President Obama included \$7.2 billion for Head Start in his budget, which is actually a decrease from the fiscal year 2009 regular appropriations level, not including stimulus funding. While I am pleased that the significant recovery funding for Head Start programs is starting to help our State and local communities who are struggling, I know that a strong, sustained investment in Head Start is the only way that this program can continue to be effective, particularly in light of the improvement and coordination tasks we have asked Head Start programs to take on as part of reauthorization. Do you plan to increase funding for Head Start programs in future years, when stimulus funding has ended?

Answer. Since the Head Start program is administered by the Department of Health and Human Services, Secretary Sebelius would be better suited to answer your question.

EARLY LEARNING CHALLENGE FUND

Question. How does your \$300 million early learning challenge grant proposal connect to existing Federal and State funding streams such as Head Start, child care, pre-K, and their K-12 systems?

Answer. The new Early Learning Challenge Fund would serve to improve the quality of existing and proposed Federal investments in early childhood programs, including Head Start, by funding State efforts to develop a statewide infrastructure of integrated early learning supports and services for children. With this framework in place, States would be able to compare the quality of services for children from birth through age 5 without regard to funding source, which would also inform Federal and State decisionmaking regarding investments in early learning.

Question. How will the grants encourage recipient States to take high-quality pre-K to a larger scale and build an early childhood system around a strong and successful program?

Answer. The grants would support State efforts to improve the quality of existing early childhood services by holding all publicly funded programs to a common set of State-developed standards. The administration expects that this effort would build a pathway for increased Federal, State, and local investments in high-quality early childhood programs in the coming years.

LITERACY—EARLY READING PROGRAMS

Question. I was excited to see that the President included funding for early and adolescent literacy grants in the fiscal year 2010 budget proposal. In the last session of Congress, I introduced a literacy bill, called the Striving Readers Act, along with my colleague Senator Sessions. A companion bill passed on the House side last year. There is clearly bipartisan interest here in Congress for creating an improved adolescent literacy program, hopefully as part of a comprehensive literacy program for young children all the way through grade 12.

Can you tell us a little bit more about what this literacy program would look like and why the administration chose to include both adolescent and early literacy grants in the proposal?

Answer. The administration's request for the Striving Readers Act included an increase both to build on the success of the current Striving Readers program, which focuses on adolescent literacy, and to enable schools to implement innovative and effective strategies for improving the reading comprehension of students in low-income elementary schools. We structured the request to emphasize the importance of continued investment in high-quality literacy programs from elementary school through high school, and also to invoke an existing authority to request funds for early reading services that would draw lessons from and addresses the deficiencies of Reading First and other literacy efforts. Applicants would be required, at a minimum, to serve students in grades kindergarten to third grade and would be encouraged to extend services to children in pre-kindergarten and in the fourth or fifth grades. Applicants would also be required to demonstrate how they would coordinate their reading programs from preschool through fifth grade, including with activities supported with funds from other Federal, State, or local sources. The Department would require participating schools to incorporate proven practices into their programs, including by providing a significant amount of time focused exclusively on reading instruction as well as integrating reading instruction into other content areas across the curriculum.

FEDERAL SUPPORT FOR EARLY LEARNING LITERACY PROGRAMS

Question. Do you see a strong continued role for Federal support of kindergarten through grade three literacy programs in States?

Answer. Research shows that early reading skills are a major predictor of future success in school. We do believe that the Federal funds should be used support high-quality literacy programs. This is why the administration included \$300 million for early reading in the budget request.

Question. Do I have your commitment to work together on this literacy proposal to ensure that we have the best continuum of literacy supports possible for our youth?

Answer. I look forward to having these discussions with you in the coming months.

ADULT LITERACY PROGRAMS AND REAUTHORIZATION OF THE WORKFORCE INVESTMENT ACT

Question. What is your vision for adult literacy, for those who may not yet have gained the skills they need to be successful in the workforce?

Answer. The reauthorization of the Workforce Investment Act (WIA) provides an opportunity for the administration to look carefully at the needs of low-literate adults. The Departments of Education and Labor envision a modernized service delivery system that provides seamless support for adults who seek employment, re-

ardless of their needs. This system would provide integrated solutions to meet the needs of both workers and employers. The Department of Education currently envisions a reauthorized WIA that leads to all States having adult education standards that are aligned with standards for college and career readiness. Finally, the Department of Education believes that the adult education and adult literacy communities must identify successful practices for meeting the needs of the diverse groups of adult learners, such as adults with limited English proficiency, youth at risk of dropping out of school, and adults who have not attained the requisite skills needed for jobs that will enable them to support themselves and their families.

DATA COLLECTION AND THE SDFSC PROGRAM

Question. Secretary Duncan, as you know the administration has proposed to move all of the SDFSC State Grant funding into national programs.

It is my understanding that the Department of Education under the last administration did very little to collect data under the SDFSC program, although these data collection efforts are specifically required by law. Why is the administration not taking the first step of fully honoring data collection and accountability requirements and examining the new data on whether this program works as a State grant before moving all of the funding to national efforts?

Answer. The Elementary and Secondary Education Act of 1965 requires that each State participating in the SDFSC State Grants program implement a Uniform Management Information and Reporting System (UMIRS) and make information about drug and violence prevention programs available to the public. Specifically, the UMIRS provisions require that States report information about truancy rates and drug- and violence-related offenses resulting in suspensions or expulsions. These data are required to be reported at the school-building level. Additionally, States must also report information about types of curricula, programs, and services provided with SDFSC State Grants program funds, and information about incidence and prevalence, age of onset, perception of health risk and perception of social disapproval of drug use and violence. We have monitored State implementation of the UMIRS requirements during the past several years and have not identified significant instances of noncompliance.

The SDFSC program also requires that States provide reports about their implementation and outcomes of programs supported with State Grants program funds, as well as information about their progress in attaining identified performance measures, and on the State's efforts to inform parents of and include parents in drug and violence prevention efforts.

We have collected some of this information from States as part of the Consolidated State Performance Report (CSPR). In an effort to minimize data collection and reporting burden for the States, we requested data from States only about truancy and suspensions and expulsions for drug- or violence-related offenses—information that States are required by the UMIRS provisions. States have also reported their progress toward meeting the performance measures they identified for the program.

The statute does not create a unified system of data collection and reporting; rather it requires that each State create its own, uniform system. Because we believe that it would be valuable for States to collect and report the required data in a manner that is more uniform across the States, we have worked with States to identify a uniform data set that includes common definitions and collection protocols for data required by the UMIRS requirements. We are beginning to use those definitions and protocols in CSPR collections, but the definitions and protocols are voluntary.

STATUTORY FUNDING REQUIREMENTS UNDER SDFSC STATE GRANTS PROGRAM

We believe that we have implemented the statutory requirements of the current authorization, but continuing concerns about the SDFSC State Grants program stem not just from the challenges involved in collecting and aggregating meaningful outcomes data for the program. The most significant concern is the current structure of the program, which requires that funding be distributed to any local school districts that wish to participate. Even when program funding levels were significantly greater than they are now, such as in fiscal year 2004 (2004–2005 school year), fully two-thirds of participating school districts (67 percent) received less than \$10,000 under the program. Realistically, grants of this size are not sufficient to permit districts to adopt and implement high-quality programs for even a small proportion of their students.

FUNDING SUPPORT FOR DRUG AND ALCOHOL ABUSE PREVENTION AND VIOLENCE
PREVENTION PROGRAMS

Question. With State and local budgets strained or massively cut back across the Nation, if a local educational agency (LEA) does not receive funding under the proposed new funding for the national program, how does the administration expect that this district will continue their efforts to prevent drug and alcohol abuse and prevent violence among students? I believe this question is particularly important in a time of economic crisis when we tend to see an increase in concerning activities among youth and families.

Answer. As your question suggests, many States and localities are experiencing the most significant economic challenges in memory, and the result is that policy makers at all levels of government are being forced to make very painful choices about where to spend a declining pool of revenues. Just as State and local officials are reviewing expenditures very closely and establishing priority uses for limited available funding, the administration engaged in a similar process in developing the President's fiscal year 2010 budget request. Ultimately, we had to identify program terminations or consolidations in order to reduce spending. Part of the process for formulating the fiscal year 2010 budget included reviewing available information about program effectiveness or other analyses that point to problems that may limit a program's capacity to produce desired outcomes. Findings from recent assessments of the program and from the Rand study suggested that the SDFSC program is not currently structured in a way that is likely to be able to demonstrate significant student outcomes.

I share your concern about the importance of preventing drug and alcohol use and violent behavior among students and know both of these behaviors not only imperil students, but also pose significant barriers to student academic achievement. We are anxious to make the best investments we can in order to address these problems, and believe that the new \$100 million initiative to improve school culture and climate (included in the fiscal year 2010 budget request under SDFSC national programs) provides the best opportunity in the current economic climate to make a meaningful difference in a significant number of schools and communities.

Support provided under the State Fiscal Stabilization Fund (SFSF), part of funding appropriated under the American Recovery and Reinvestment Act of 2009, may also be a potential source of support for drug and violence prevention programs and activities. Monies available to States under either component of the SFSF program—the Education Stabilization Fund or the Government Services Fund—may be used to support a broad range of educational services and activities, including prevention programming, in elementary and secondary school settings.

TECHNICAL ASSISTANCE FOR LEAs FOR SDFSC PROGRAMS

Question. How will technical assistance and training be consistently provided to LEAs without the State assisting with that role, and does the Department of Education have the capacity to take on this role?

Answer. The Department will continue to provide some technical assistance to States relating to safe and drug-free schools, but lacks both the funding and staffing to become a primary provider of technical assistance directly to schools, school districts, and communities across the country. Several States have developed and maintain school safety centers or other technical assistance infrastructure. While some support for some of these centers has been provided by SDFSC State Grants funds, in other cases support for technical assistance has been provided with State monies. I encourage States to continue to make this kind of activity a priority.

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

EVEN START

Question. The President's budget request does not include funding for Even Start, the national early childhood and parenting program. I understand that some Even Start programs in the country have not been effective. However, in my State of Louisiana, we have some excellent Even Start programs that will be devastated by this loss. Could you explain the decision to eliminate Even Start and propose options for the 60,000 participants who will be left without services?

Answer. Based on the results of three national evaluations, the administration believes that the Even Start program has not yielded meaningful benefits for children and families. For example, the most recent evaluation concluded that, while Even Start participants demonstrated small improvements in some outcomes, they did not

perform better than the comparison group that did not receive Even Start services. As a result, the administration chose to direct the resources to other efforts that would better address the needs of children and families. Specifically, the administration has requested almost \$1 billion for early childhood programs at the Department of Education, including \$500 million for the new Title I Early Childhood Grants, \$300 million for the new Early Learning Challenge Fund, and \$162.5 million for Early Reading First, in addition to more than \$6.5 billion in funding for Head Start at the Department of Health and Human Services (HHS). Further, the Department has requested more than \$628 million for Adult Basic and Literacy Education State Grants, a program that supports activities similar to some of the components of Even Start, such as English literacy, adult basic education, and family literacy services. We believe that these programs will serve the same types of children and adults as are served by Even Start.

EARLY LEARNING CHALLENGE FUND

Question. Your budget request includes \$300 million to launch the Early Learning Challenge Fund. How will this fund be administered and how does it fit into the administration's overall vision for early childhood education?

Answer. The Department will be working closely with HHS to administer the new Early Learning Challenge Fund program. This new program would support state-wide systems of early learning and support that apply a standard set of expectations in both the educational and the social-emotional domains in order to provide children with the preparation they need to enter kindergarten ready for success while empowering parents to seek and select the care that best serves their children. The administration's overall vision is for children to come to school socially and cognitively prepared to learn, and we expect that the quality improvement efforts supported by the Early Learning Challenge Fund would build a pathway to improvements in early learning program quality and, in future years, increased investment in high-quality early childhood services.

TEACHER INCENTIVE FUND (TIF)

Question. The administration requests the TIF increase to \$517 million. How does the administration plan to encourage these States and local educational agencies (LEAs) to develop and use innovative and effective teacher compensation systems?

Answer. With the requested fiscal year 2010 funds, the Department will hold a grant competition for up to 100 new awards to LEAs, including charter schools that are LEAs, or States (or partnerships of: an LEA, a State, or both; and at least one nonprofit organization) to develop and implement performance-based compensation systems for teachers, principals, and other personnel in high-need schools.

In an fiscal year 2010 competition, the Department will place a priority on the support of comprehensive, aligned approaches that: (1) support improved teacher and principal effectiveness and help ensure an equitable distribution of effective educators; (2) actively involve teachers (including special education teachers) and principals in the design of human capital and compensation systems; and (3) use data from emerging State and local longitudinal data systems to track outcomes and associate those outcomes with educator performance.

PRIORITIES IN USE OF FUNDS FROM AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) AND THE TEACHER INCENTIVE FUND

Question. How will the TIF work in conjunction with funds from the ARRA?

Answer. The Department expects to use approximately \$140 million of the ARRA appropriation for about 60 new awards, \$50 million for continuation awards, and up to \$10 million for the mandated national evaluation. With ARRA funds, and in response to lessons learned from the first two rounds of TIF grants and from other efforts around the country to improve educator effectiveness, the Department will place a priority on the support of: comprehensive, aligned approaches that support improved teacher and principal effectiveness and help ensure an equitable distribution of effective educators; that actively involve teachers (including special education teachers) and principals in the design of human capital and compensation systems; and that use data from emerging State and local longitudinal data systems to track outcomes and associate those outcomes with educator performance.

With the funds requested for TIF in fiscal year 2010, the Department would launch a grant competition—for up to 100 new awards—encompassing the new strategies and emphases being implemented with the ARRA funding. This new competition will support the ARRA objectives of improving teacher effectiveness, reducing disparities in the access of students to effective teachers, and turning around

persistently low-performing schools. Funds requested for fiscal year 2010 would also support 94 continuation awards.

Priorities for an fiscal year 2010 competition would be similar to those for the ARRA competition; however, the Department has requested appropriations language that would also allow fiscal year 2010 grantees to use TIF funds to reward all staff in a school, as opposed to only teachers and principals.

FEDERAL FACILITIES FUNDING FOR CHARTER SCHOOLS

Question. I was pleased to see that your budget request follows on President Obama's promise to increase support for charter schools. Your request includes a \$52 million increase for Charter Schools Grants. How does the administration plan to address the challenges charter schools face in securing facilities funding?

Answer. The administration understands that access to public facilities or funding for facilities is one of the major challenges confronting charter school operators, and we are committed to helping charter schools secure facilities funding. This issue will certainly be one that we plan to address during reauthorization. In the meantime, there are a number of Federal programs that support facilities financing for charter schools, including the State Charter School Facilities Incentive Grants, Credit Enhancement for Charter School Facilities, Qualified Zone Academy Bonds (QZABs), Qualified School Construction Bonds (QSCBs), Build America Bonds (BABs), and one-time funding under the State Fiscal Stabilization Fund (SFSF).

The primary Federal funding sources for charter school facilities are the Department's State Charter School Facilities Incentive Grants and Credit Enhancement for Charter School Facilities programs. The State Charter School Facilities Incentive program provides 5-year grants to States with per-pupil facilities aid programs to assist charter schools in the purchase or acquisition of facilities. In the past 5 years, the Department has awarded more than \$90 million to 4 States that, by combining Federal grant funds with State matching funds, have provided facilities funding to more than 600 charter schools. The administration is committed to maintaining the momentum of this program and plans to award more than \$12.7 million this summer to a new cohort of State Facilities Incentive grantees. Similarly, the Department's Credit Enhancement for Charter School Facilities program provides grants to support charter schools in the acquisition or renovation of facilities. The Credit Enhancement grants are awarded on a competitive basis to public and nonprofit entities to assist charter schools in securing facilities financing, through loan guarantees, lease guarantees, and other credit enhancement methods. These grants operate until the Federal funds and earnings on those funds have been expended for the grant purposes or until financing facilitated by the grant has been retired. Since 2001, the Department has awarded more than \$214 million in grants, with another \$8.3 million requested in fiscal year 2010, to provide charter schools with access to financing to help them acquire, build, or renovate school facilities.

Charter schools may also benefit from other Federal subsidies for public school improvement and modernization activities, including QZABs, QSCBs, and BABs. The ARRA authorized tax-credit bonds for school construction by expanding QZABs from \$400 million annually to \$1.4 billion for each of calendar years 2009 and 2010, and authorizing \$11.2 billion in the new QSCBs for each of those 2 years. QZABs provide funding for school repairs and renovation and certain other activities for eligible schools and may not be used for new construction, while QSCBs and BABs provide funding for new construction as well as renovation.

USE OF SFSF FOR CHARTER SCHOOL FACILITIES FUNDING

The SFSF, a one-time appropriation of \$53.6 billion under ARRA, provides funds to States that also may be used to assist charter schools with their facilities challenges. By the end of 2009, the Department plans to award approximately \$48.6 billion to governors under the SFSF program in exchange for a commitment to support essential education reforms, including reforms involving charter schools. Under the SFSF program, governors are required to use 81.8 percent of the SFSF State grant funds to support public elementary, secondary, and higher education programs and 18.2 percent for public safety and other government services, including the modernization, renovation, or repair of public schools and facilities. Therefore, a charter school LEA should receive stabilization funding on the same basis as other LEAs in the State. State educational agencies (SEAs) are also required to take necessary steps to ensure that a newly opened or expanded charter school LEA receives all of the Federal formula funds to which it is entitled. These additional funds should help address the challenges many charter schools face in securing facilities funding.

EXPANSION AND REPLICATION OF PROMISING CHARTER SCHOOL MODELS

Question. Currently, the Charter Schools Program funds can only go to new school creation and schools cannot receive more than one grant because of a statutory limitation. President Obama has called for replicating and expanding our most successful charter schools. What are ways in which the administration proposes to achieve this goal?

Answer. The replication and expansion of high-quality charter schools will play a central role in the administration's education reform agenda. Since 1995, the Charter School Program (CSP) has provided more than \$2.2 billion in financial assistance to SEAs to support planning, development, and initial implementation activities for approximately 1,200 charter schools per year, as well as fund dissemination activities by schools with a demonstrated history of success. Under the program, SEAs also may reserve up to 10 percent of their grant for dissemination subgrants to share lessons learned about how to create, sustain, replicate, and expand high-quality, accountable charter schools.

In the President's fiscal year 2010 budget request, the administration has proposed new appropriations language and the use of available waiver authority to help expand or replicate successful charter school models or networks. The proposed appropriations language would allow the Department to make direct grants to Charter Management Organizations or other entities for replication and expansion of effective charter school models, which should significantly expand the reach of the program. The administration also plans to strengthen program capacity by waiving, in appropriate circumstances, the one-grant limitation and the 18-month planning limitation to allow grantees additional time within the 36-month grant period for planning and implementation.

The administration intends to use a portion of the \$8 million available under the CSP national activities set-aside to support activities that promote the expansion and replication of promising charter school models. In fiscal year 2010, the Department plans to hold a new National Charter School Leadership grant competition to support projects of national significance that are designed to build State capacity and assist in the expansion of high-quality charter schools. The Department also will launch a new National Charter School Resource Center, which will provide technical assistance and resources to State and national charter stakeholders to expand the number of high-quality charter schools and increase the national understanding of the charter school model as a key reform strategy.

The administration is also calling on States to reform their charter laws and lift caps that limit growth among excellent high-quality charter schools. We plan to structure the Race to the Top competition in such a way as to create a financial incentive for States to lift their charter school caps and promote accountability and high academic standards in all charter schools. This, in turn, would allow for more rapid expansion and replication of successful charter school models nationwide.

ARRA INNOVATION FUND

Question. In the Innovation Fund section of ARRA, Congress included a special rule allowing nonprofits to apply for grants in partnership with LEAs. This rule says that the eligibility will be determined based on the track record of the nonprofit in improving student achievement. The intent of this language was to ensure that high-quality nonprofits like the ones leading reform efforts in Louisiana could compete for funding to grow their programs. What kind of guidance will the Department issue to facilitate the application process for nonprofits?

Answer. I can assure you that we are focused on providing funds to LEA and nonprofits that have demonstrated results to expand their work and serve as models for others. The Department is working on proposed requirements for the Innovation Fund, which we will release shortly for public comment.

Question. How will nonprofits have to show their impact on student achievement?

Answer. We are working on establishing the parameters of the competition now and will publish the Notice of Proposed Priorities later this summer. The notice will include more detail on how we intend to run the competition, including how nonprofits can demonstrate the impact they have had on student achievement. We encourage the public to review and comment on the Notice.

QUESTIONS SUBMITTED BY SENATOR MARK PRYOR

SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

Question. Some concerns were raised during the hearing regarding the State grant and mentoring grant programs under the Safe and Drug-Free Schools and Communities (SDFSC) program. Can you direct me to the studies which determined that the State grant and mentoring grant programs under the SDFSC program are ineffective or not as effective as they were envisioned?

Answer. For the mentoring program, the study I referred to is the Institute of Education Sciences (IES) "Impact Evaluation of the U.S. Department of Education's Student Mentoring Program," which IES released in March 2009.

For the Safe and Drug-Free Schools and Communities State Grant program, there are two studies: (1) "Options for Restructuring the Safe and Drug-Free Schools and Communities Act," which was released by the RAND Corporation in 2001; and (2) "Prevalence and Implementation Fidelity of Research-Based Prevention Programs in Public Schools, which was conducted by Westat and covered the 2004–2005 schools year.

MEASURING THE EFFECTIVENESS OF THE SDFSC STATE GRANT PROGRAM AND MENTORING PROGRAM

Question. What standards did the Department of Education use when measuring the effectiveness of these grant programs?

Answer. The answer follows separately for each study.

Impact Evaluation of the U.S. Department of Education's Student Mentoring Program

The mentoring program evaluation used an experimental design where students were randomly assigned either to receive or not to receive school-based mentoring from one of the Department's grantees. The evaluation assessed the effectiveness of the program by estimating impacts at the end of one school year on the intended program outcomes, as stated in the authorizing legislation, for students who were offered program services versus those who were not.

Outcomes were collected through administration of a student survey and collection of student schools records, and included measures of "prosocial" behavior, absenteeism, school engagement, reading and math scores on State assessments, grades, future orientation, and delinquency (including gang membership). Promiscuous behavior was the only intended program outcome listed in the legislation that was not measured because in the initial phases of instrument development the study team found that questions regarding sexual behaviors or attitudes were not acceptable to principals or parents.

Outcomes were measured at the end of one school year because this provided the most policy-relevant information. Prior research has found that about half of the students in school-based mentoring programs do not receive mentoring after the first school year and that any benefits from a single year of school-based mentoring do not persist beyond the end of the school year.

The evaluation found that for the full sample of students, the program did not lead to statistically significant impacts on any of the measures. The full report and an executive summary are available online at: <http://ies.ed.gov/ncee/pubs/20094047/>

Options for Restructuring the SDFSC Act

To help inform deliberations on the SDFSC Act reauthorization in 2001, the Department awarded a grant to the RAND Corporation's Drug Policy Research Center to conduct an examination of the program and assess options for improving it. Under the scope of the resulting study, RAND commissioned three analyses of school drug and violence prevention and prepared a background paper describing the history and development of the SDFSC Act program. RAND also conducted two focus groups with teachers and practitioners on the drug and violence problems in their schools and on their experiences with the program in their districts. These activities were preparatory to a 2-day conference held in July 1999, which was attended by programmatic and policy leadership from the Department, classroom teachers, and local program operators, high-level representatives with drug and violence prevention responsibilities in the Departments of Justice and Health and Human Services, and prominent researchers and policy analysts.

The entire study is summarized in one report, and the commissioned papers, a summary of the focus groups, and the background paper are contained in a companion volume. Each can be found on-line at:

<http://www.rand.org/pubs/monograph—reports/MR1328/>

and

<http://www.rand.org/pubs/monograph—reports/MR1328.1/>

As the Department's fiscal year 2010 budget justification for the SDFSC State Grant program indicates, the study found that the program does not adequately target schools most needing help and generally spreads funding too thinly at the local level to support quality interventions.

Prevalence and Implementation Fidelity of Research-based Prevention Programs in Public Schools

This study examined, for the 2004–2005 school year: (1) the prevalence of research-based drug and violence prevention programs in schools; and (2) the extent to which research-based drug and violence prevention programs implemented in schools adhered to the program features on which they are based (i.e., were implemented with fidelity to the program design that was validated as effective by the research).

In conducting this study more than 300 programs were screened and reviewed by Westat to determine the level of research rigor behind the programs' literature base. The study identified 21 school-based prevention programs that demonstrated evidence of effectiveness through this systematic review of literature.

The study then used national probability sample surveys of districts and schools to estimate program prevalence, and national probability sample surveys of schools and research-based prevention programs to estimate fidelity of implementation. The surveys used both mail- and Web-based approaches to gather information on prevention programs and on the factors that may be associated with the adoption of research-based programs. Univariate analyses (e.g., percentage of schools with a research-based program) and bivariate analyses (e.g., percentage of schools with a research-based program by the number of students enrolled) were conducted. Tests of statistical significance were conducted. Because the surveys undertaken had a complex multistage sample design, a replication methodology was used to establish variance strata and primary sampling units, and create replicate weights for each specific subsample of the full sample.

The two main findings of the study were as follows: (1) only 7.8 percent of drug and violence prevention programs and practices supported with SDFSC State Grant funds in 2004–05 were research-based (i.e., the 21 research-based prevention programs comprised only 7.8 percent of all prevention programs implemented in schools); and (2) 44.3 percent of SDFSC-funded researched drug and violence prevention curriculum programs were implemented with fidelity (i.e., met minimum standards for overall fidelity of implementation). The report of the study is expected to be completed later this year.

SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES NATIONAL PROGRAMS

Question. How will you alter the SDFSC national program to meet the needs of the individual populations that are currently served through the State and mentoring grant programs?

Answer. No alteration of the national programs is needed. Generally, under the various national programs grant competitions, applicants have the opportunity to select target populations and design and implement projects based on locally identified needs, existing programming, or other unique local conditions.

Please also know that for the mentoring program, at our national conference in August we will be having a special grantee meeting focused on sustainability, to assist grantees in their transitions to no funding next year. We are also having discussions with organizations, such as Big Brothers, Big Sisters, which are active in mentoring, about possible assistance to grantees once the Federal funding ends.

MENTORING RESOURCE CENTER

Finally, SDFSC mentoring program funds will support the operation of the Mentoring Resource Center (MRC) through the end of this fiscal year. The MRC has served as the Department's training and technical assistance provider to grantees and provided them with training, publications, site visits, online learning, and other opportunities for program and staff development. When the MRC contract ends in October we are considering maintaining the significant body of resources it has developed on an archival site, or transferring the assets to another Federal agency where they can be a continued resource for mentoring grantees and for others involved in creating mentoring programs.

UPDATED GUIDANCE ON TITLE I WAIVERS

Question. With regard to stimulus funding, are there plans for additional or updated guidance pertaining to title I waivers, and if so, when do you anticipate this guidance to be available?

Answer. The Department expects to release guidance on title I waivers related to funding provided under the Recovery Act in July 2009.

STUDENTS AND THE LOAN PROCESS

Question. The fiscal year 2010 budget proposes to eliminate the Federal Family Education Loan Program (FFELP) and make certain that all Federal student loans are handled through the Direct Loan Program (DLP) by July 2010. One concern regarding this proposal is the potential loss of local services currently provided to students including loan default prevention, financial counseling and discounting interest rates for students that choose to enter high demand fields. Students can walk into their local bank or our State lending agency and receive personal guidance on making wise financial choices for their future.

How will students navigate the student loan process if they are calling the Department of Education (DOE) rather than their local bank or lending agency?

Answer. Students and families will see very little difference in the student loan process under the President's proposal. Consistent with current practice, initial interactions for most students will be with their school's financial aid office. Under either FFELP or direct loans, the loan process is highly automated, with applications, entrance and exit counseling, and other information available electronically through the school Website. Extensive guidance for students and parents is also available from the Department.

In addition, relatively few students interact with their local bank for a student loan. The FFELP is highly concentrated among large national lenders; the 25 largest lenders account for more than 80 percent of total volume. Local lenders that do participate in the program typically sell the loans before a borrower enters repayment. Loan servicing—which involves interactions with borrowers after they have left school—is even more concentrated among a small number of companies. Since the most efficient of these companies will be retained by the Department to service direct loans, with loan volume awarded based on performance, borrower service should be as good or better than that available in FFELP. The Department already provides loan default prevention and financial counseling services for DLP borrowers; these services will be expanded as the program grows.

ROLE OF LOCAL STUDENT LOAN INFRASTRUCTURE

Question. Do you intend for this proposal to utilize the existing local infrastructure and experienced workforce currently in place or will the proposal rely on the larger student lending institutions?

Answer. The President recognizes that local student loan agencies provide many valuable services to students and parents, and has specifically included those activities among those that could be funded under the proposed \$2.5 billion College Access and Completion Fund. More broadly, the Department has not made a final decision regarding loan servicing arrangements; a procurement was just completed, however, that does include the requirement that the selected vendors be able to service all title IV federally held loans, including direct loans. Allocations of types and volume to any one vendor will be determined based upon servicer capabilities and performance. The current contractors have committed to sufficient capacity for the expansion of direct lending, and we expect they will consider subcontracting with other current participants in FFELP in order to more efficiently meet their commitments.

TECHNICAL ASSISTANCE FOR RURAL INSTITUTIONS

Question. How will the Department provide assistance and training to 2-year colleges and technical schools in remote areas such as Black River Technical College in Pocahontas, Arkansas, or Phillips County Community College in Helena, Arkansas?

Answer. Schools have recently transitioned to direct lending with little or no problem. To ensure that all schools are prepared, however, the Department has created a Direct Loan Transition Team to assist schools such as those you mention that may have unique requirements or need additional support. Department staff is working with those schools to answer questions and to offer assistance. Initial efforts have focused on HBCUs, HSIs, and Tribally Controlled institutions. Direct loan webinars have been held for community colleges and independent private colleges.

The transition to direct loans should be seamless for schools of all sizes. The Department system that originates direct loans is called the Common Origination and Disbursement (COD), the same system that schools use to originate title IV grants (Pell Grant, ACG, National SMART, and TEACH). Most schools (and their computer systems) already interact with the system they will use for direct loans.

ESTIMATED SAVINGS FROM SHIFT TO DIRECT LOANS

Question. The Department expects to save \$4 billion a year by switching from FFELP to DLP. What factors were used to calculate the estimated savings?

Answer. Direct Loans produce savings primarily because, under current interest rate assumptions, borrower repayments exceed other program costs, including the cost of Government borrowing to finance loans. This results in net revenues to the Government.

INCREASED FEDERAL ADMINISTRATIVE COSTS

Question. Does the \$4 billion include anticipated increases in administrative costs for the Federal Government to increase loan volume or for the costs associated with contracting out student lending services?

Answer. Consistent with the requirements of the Federal Credit Reform Act, the projected savings do not include Federal administrative costs. Even with the addition of these costs, however, the President's proposal to shift to 100 percent Direct Loans produces substantial savings.

STEPS TO INCREASE DIRECT LOAN CAPACITY

Question. Transitioning the student loan volume of DLP from around 30 percent of all Federal student lending to 100 percent is a considerable change, and the DOE has been preparing to increase DLP volume. Can you explain what steps the Department is taking to prepare for a potential increase in DLP loan volume?

Answer. The Department is expanding capacity for both loan origination and loan servicing. For loan origination, Direct Loans uses the COD system, which also disburses funds for the Pell Grant program, making the proposed expansion relatively simple for both the Department and participating schools. The Department has also increased its call center capacity to handle additional. On loan servicing, the Department has recently completed a procurement to substantially increase its loan servicing capacity. Loan volume will be allocated among the new vendors based on servicer capabilities and performance.

REPLACEMENT OF FFELP LOAN VOLUME

Question. Currently, the FFELP provides Federal funds to private lending institutions to keep interest rates on FFELP loans low and to reduce risks associated with providing loans to students with little or no credit history. Can you provide the amount of total loan volume that this Federal investment leverages through FFELP?

Answer. In fiscal year 2009, the Department estimates the FFELP would provide \$64 billion in new student loans, as well as an additional \$1 billion in consolidations of existing loans.

DIRECT LOAN CAPACITY

Question. Can the Department replicate this total loan volume in addition to the current volume of loans provided through the DLP solely through DLP?

Answer. Yes, the Department will have the capacity to originate and service 100 percent of new loan volume for the 2010–2011 award year.

STUDENT LOAN VOLUME

Question. If the President's proposal were adopted, what level of total loan volume do you expect to be able to fund through the DLP in fiscal year 2010?

Answer. Under current estimates, the Department would award \$53.4 billion in new loans in fiscal year 2010. Because the FFELP would continue to originate loans until July 1, 2010, an additional \$38.3 billion would be awarded through FFELP in fiscal year 2010, for total new loan volume of \$91.7 billion. In fiscal year 2011, the first fiscal year in which direct loans would award 100 percent of new loan volume, total awards are estimated at \$96.7 billion.

QUESTIONS SUBMITTED BY SENATOR LAMAR ALEXANDER

TEACHER INCENTIVE FUND

Question. I am very encouraged by the administration's proposal to increase the Teacher Incentive Fund to \$487.3 million this year, and I strongly support your request. While Congress works on the reauthorization of the Elementary and Secondary Education Act, including the Teacher Incentive Fund, do you plan on making any changes to the program administratively?

Answer. The Department is requesting the inclusion of appropriations language permitting support for approaches that provide performance-based compensation to all staff in a school, because research indicates that this type of strategy can be effective in raising performance across a variety of organizations. This proposed language would replace language permitting the funding of performance-based compensation only for teachers and principals.

The Department would hold a new competition with the requested fiscal year 2010 funds, in addition to an upcoming Recovery Act competition. In both of these grant competitions, the Department will place a priority on the support of comprehensive, aligned approaches that: (1) support improved teacher and principal effectiveness and help ensure an equitable distribution of effective educators; (2) actively involve teachers (including special education teachers) and principals in the design of human capital and compensation systems; and (3) use data from emerging State and local longitudinal data systems to track outcomes and associate those outcomes with educator performance.

CHARTER SCHOOL PROGRAM

Question. I am very encouraged by the administration's proposal for a \$52 million increase to the Charter School Program (CSP) for a total of \$268 million this year, and I strongly support your request. I would have liked to see more funds reserved for charter school facilities, and hope that we can work to find resources for that purpose in the future.

While Congress works on the reauthorization of the Elementary and Secondary Education Act, including the CSP, do you plan on making any changes to the program administratively?

Answer. The administration is committed to supporting successful models of school reform, including high-quality charter schools. As you noted, the President's fiscal year 2010 budget has proposed an increase of \$52 million for the CSP. We view this request as the first step in our effort to double support for charter schools over the next 4 years and to help drive reform strategies and innovation in our schools. The administration has proposed new appropriations language and the use of available waiver authority to help expand or replicate successful charter school models or networks. The proposed appropriations language would allow the Department to make direct grants to Charter Management Organizations or other entities for the replication and expansion of effective charter school models, which should significantly expand the reach of the program. The administration also plans to strengthen program capacity by waiving, in appropriate circumstances, the one-grant limitation and the 18-month planning limitation to allow grantees additional time within the 36-month grant period for planning and implementation.

PRESIDENTIAL AND CONGRESSIONAL ACADEMIES FOR HISTORY AND CIVICS

Question. I was very disappointed to see that the Presidential and Congressional Academies for History and Civics are proposed for elimination. I gave my maiden speech in the Senate about the importance of putting the teaching and learning of U.S. history back in our classrooms, which resulted in the creation of these academies, with the support of Senator Reid, Senator Byrd, and Senator Kennedy. While it is a small program, teachers and students each summer have benefited greatly which is why I recently introduced legislation to expand the program and why I hope that the Appropriations Committee will continue to fund these programs.

What can I do over the course of the next year to convince you of the merit of the Presidential and Congressional Academies?

Answer. The teaching of history in our classrooms is important to the administration and will continue to receive significant Federal funding. We proposed to eliminate the Presidential and Congressional Academies for History and Civics because we feel the program is too small to have a substantial national impact. Furthermore, the level of effort required to administer and monitor the program on behalf of the Department, in addition to the effort required of applicants to apply for support, provides compelling reasons to put resources into larger programs with a greater chance of having a national impact. Instead of the academies, we are pro-

posing the creation of a competitive grant program of more significant size called "History, Civics, and Government" that will "scale-up" effective practices and encourage wider adoption of successful programs in these subject areas. In addition to the new initiative, the administration continues to support the Teaching American History and Teacher Quality State Grants programs, which make substantial funding available for the professional development of history teachers nationwide.

The Department is looking closely at the effectiveness of all our programs, and in the coming years will make a greater and greater effort to request funding only for programs that can demonstrate evidence of effectiveness. If we are able to determine that the Presidential and Congressional Academies program had clear evidence of effectiveness (for instance, that the teachers who participate in the Presidential academies were raising the level of student achievement in their classrooms, or that the high school students attending the congressional academies were receiving a clear benefit that was somehow being extended to a wider population of students), we would likely look at the program differently. This evidence would need to be more than past survey results showing that the teachers and students enjoyed participating and liked the programs, which is frequently the type of "evaluations" that teacher in-service training and similar programs produce.

CHOICE IN STUDENT LOANS

Question. I have repeatedly expressed my concerns about the administration's proposal to convert the entire student loan program into the Government-run Direct Loan program. The Senate has agreed that parents, students, and schools should be able to make their own choices of student loan providers, as the current programs allow.

How does your proposal seek to retain the power of the competitive marketplace where parents, students, and schools can choose the best providers to help them afford their college tuition?

Answer. The competitive marketplace will play a key role in the Department's plans to ensure that students, parents, and schools continue to receive high-quality service. We have already contracted with a number of private-sector firms with extensive experience in the Federal Family Education Loan Program (FFEL) to expand our loan servicing capabilities. Work will be allocated among these vendors based on their performance; customer satisfaction will be among the key criteria used in determining these allocations. Private-sector vendors, chosen through competitive procurements, will also provide default aversion and collection services and borrower counseling.

ADMINISTRATIVE COST OF ORIGINATING ALL FEDERAL STUDENT LOANS THROUGH DIRECT LOAN PROGRAM

Question. I am also concerned about the estimated costs of administering this new program. The administration budget only asks for an increase of \$117 million from \$753 million to take over the FFEL Program. Could you provide the Appropriations Committee with estimates of what those total annual discretionary costs would be for the next 5 years to originate and administer all loans under the Direct Loan program?

Answer. Estimated costs for Student Aid Administration depend on many factors, most significantly origination and servicing volume. Recently, this volume has proven to be quite volatile, due in large part to loan purchase programs authorized by the Ensuring Continued Access to Student Loans Act of 2008. The recent introduction of multiple servicer contracts has also introduced a level of uncertainty. However, given current conditions, it is estimated that total Student Aid Administration costs will total approximately \$5.5 billion to \$6.5 billion over the next 5 years.

FUNDING FOR PELL GRANTS

Question. I agree that we should not charge students more for their student loans in order to generate profits for lenders. That's why I supported the College Cost Reduction Act which reduced the Special Allowance Payment for lenders and generated savings for students.

However, I am concerned about the administration's proposal to convert the entire student loan program into the Government-run Direct Loan program and use the profits made from charging students an artificially high interest rate on their loans to provide generous increases to the Pell Grant.

According to the Congressional Budget Office, the majority of savings generated by the administration's proposal comes from charging most students on most loans 6.8 percent in interest when it costs the Government much less to originate and service the loan.

Why shouldn't students be charged a lower interest rate to cover the actual costs of the loan instead of asking them to pay more in interest over the course of the life of their loan to generate revenue for the Federal Government to pay for the Pell Grant increases?

Answer. The administration strongly believes Federal student aid resources should be focused on broadening access to higher education for all Americans. Particularly in today's economically challenging times, the need-based Pell Grant program is the best vehicle for helping disadvantaged students and families attend colleges and other postsecondary institutions.

SUBCOMMITTEE RECESS

Senator HARKIN. Thank you for your leadership. Thank you, Mr. Secretary. Well, the subcommittee will stand adjourned.

[Whereupon, at 11:36 a.m., June 3, the subcommittee was recessed, to reconvene subject to the call of the Chair.]